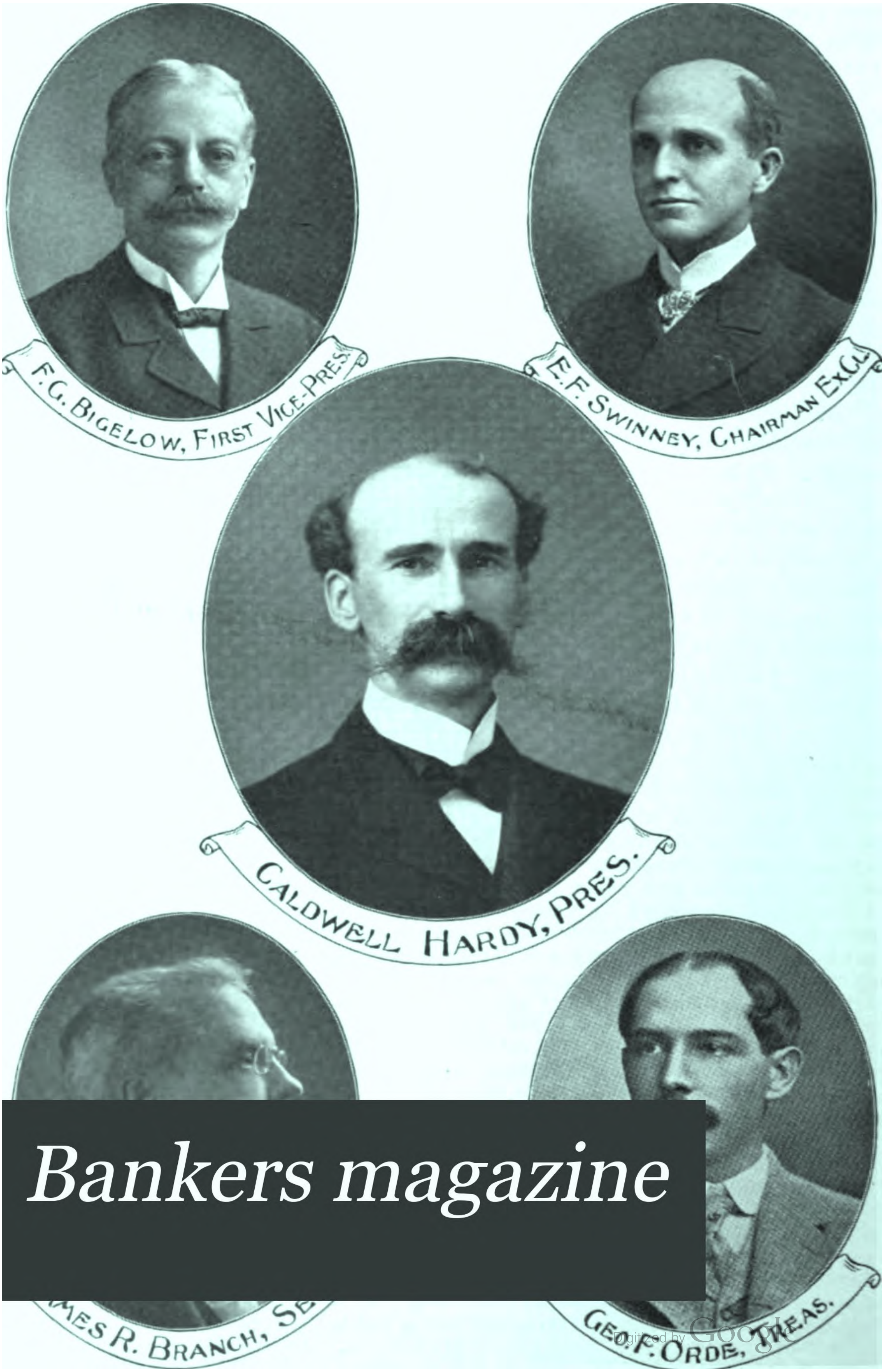
Bankers magazine



THE

BANKERS' MAGAZINE

RHODES JOURNAL OF BANKING AND THE BANKERS' MAGAZINE

CONSOLIDATED

VOLUME LXVII

JULY TO DECEMBER

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

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

FIFTY-SEVENTH YEAR. JULY, 1903. VOLUME LXVII, No. 1.

THE ALDRICH BILL will require careful consideration and amendment before it is permitted to become a law. In his address before the recent convention of the New York Savings Banks Association, Mr. HORACE WHITE called attention to a feature of the bill that is open to criticism. Mr. WHITE said:

"The Aldrich bill deals with the bank-note question in still another way. It allows the Secretary of the Treasury to suspend and resume the redemption of National bank notes at Washington at his own pleasure. Under existing law a redemption fund equal to five per cent. of its outstanding circulation must be kept in the Treasury by each note-issuing bank. Anybody may send bank notes in bulk to the Treasurer of the United States for redemption, and they must there be sorted, redeemed out of the five per cent. fund and returned to the parent banks. The cost of sorting and transporting must be defrayed by the banks issuing the notes and each one must keep its five per cent. fund replenished. The Aldrich bill does not propose to stop redemption of the notes by the Government, but it provides that the Secretary of the Treasury, after redeeming them, may pay them out for Government dues instead of sending them home. One of the chief defects of our present system is the sluggishness of the redemption of National bank notes. This section of the bill proposes to make it still more sluggish, but that is its least objectionable feature, since it would give the Secretary control of the reserve fund of every note-issuing bank in the Union, and enable him to 'put the screws on' and take them off at his own will. Their redemption fund in Washington is a part of their cash reserve. Ordinarily one-quarter of their circulation will be sent to Washington for redemption each year. If the Secretary can say to the banks: 'Until I give the word you need not redeem any of your note issues except such as are presented at your own counters,' his powers, both financial and political, will be much greater than they are now, or ever ought to be."

In the opinion of some careful observers the inelasticity of the present currency of the country is due as much to the imperfect methods of redemption as to any other cause. The anomalous position of the silver coin and certificates, the volume of legal-tender notes fixed by law at a sum which is neither increased nor diminished, and the lack of a rapid commercial redemption of the National bank notes, all tend to cause this inelasticity about which there is so much complaint. There is, in fact, a growing feeling that the movement to secure an elastic currency, which in itself is quite commendable, is in danger of being subverted to meet the demands of those who simply desire a greater volume of money. It is also alleged that under the pretext of providing more money to move the crops an expansion of the currency is to be brought about chiefly to sustain the inflated values of the mass of "undigested securities" on the market. The recent fall in the prices of stocks, particularly those known as "common," indicates that a number of these securities are in need of a tonic. But it is substantial value that they require rather than such temporary assistance as they might derive from an inflation of the currency.

As THE BANKERS' MAGAZINE has urged for many years, the principle of an asset currency is sound enough, but the application of that principle under all the circumstances at the present time is exceedingly difficult, and if any provision for redemption is to be adopted similar to that contained in the Aldrich bill, or in the Fowler bill as finally amended, it would be better to postpone the whole matter until public opinion can be brought to the support of a thoroughly sound measure.

By providing for redemption in "lawful money" the expense of maintaining gold parity is shifted from the banks and those who deal with banks—where it properly belongs—to the whole body of taxpayers—where it does not belong. But the blame for the present situation does not rest with the banks, but with Congress for keeping the legal tenders in circulation and in coining two kinds of full legal-tender money of unequal value.

The gradual conversion of the legal-tender notes into gold certificates (which may be done without a bond issue and without contraction) is a step that should properly precede the introduction of an asset currency, and when that is done some provision will have to be made for keeping silver exchangeable with gold, as the legal tenders are now practically the bridge that links the silver currency to the gold standard.

Unless the prompt redemption of an asset currency is made certain, a large permanent addition to the supply of currency would ensue and prices would be artificially buoyed up. The high level of prices and the large exportation of gold would seem to point to a present redundancy in the volume of currency.

Mr. WHITE'S address, to which reference has been made, was printed in full in the June number of the MAGAZINE. It is one of the most lucid and thorough presentations of the principles of an asset currency that we have seen, and is worthy of a careful reading by all who are interested in the currency question.

THE INTEROCEANIC CANAL matter seems to be hanging in the air, waiting for the action of the Congress of Colombia. If this is delayed beyond reason, and it becomes impossible to secure the Panama route, the President, under the terms of the law, will be constrained to open negotiations with Nicaragua. There is undoubtedly a large faction who for various reasons prefer the latter route, but the general sense of engineering opinion seems to be in favor of Panama.

It is barely possible that the chaotic government of Colombia may render this last-named route impracticable for the United States. The probabilities are, however, that some way out of the present muddle will be devised. Already there are rumors that the Panama section of the Colombian Republic is inclined to secede and make terms for itself with this and other countries, and intimations, whether inspired or not, are being circulated in the daily press that this country might be inclined to avail itself of such a situation. The country has a precedent in the recognition of the secession of Texas from Mexico. There is probably an opportunity for American intriguers and ex-filibusters, who have always thriven to a certain extent on the troubles and disorders of the States of Central America, to do something with a secession programme. The Government of this country would wish to avoid any course which could not be sustained from an ethical or moral standpoint. A move for secession on the part of Panama, whatever else its result, would tend to hasten action by Colombia.

The interest from a financial and banking standpoint in the construction of the canal comes in two ways. If Colombia accepts the terms and the Panama route is finally acquired, there is the payment of forty millions to France to be provided for, followed by extensive bond issues for the construction of the canal. It makes much difference to the business public at what season and in what conditions of the money market the payment for the canal properties of the French company is made, especially under the present currency and banking laws and customs. The remittance will have a greater effect on business when the demand for money is great in the home market. If the settlement is delayed and made in the fall, when the crops are to be moved, it may cause stringency in the money markets. Such trouble in the autumn is always apprehended, and it has been freely prophesied that the failure of Congress at the last session to pass any measure of relief will be seriously regretted next fall. But to a certain extent the hands of Congress have been withheld from making any move, because of the extreme probability of bond issues for canal construction. It must not be forgotten that this undertaking, while an eminently peaceful one, will be as much of a drain on the country's resources as a very considerable war. It will cause a boom in the furnishing of supplies and machinery and an opportunity for contracts equal to the war with Spain. The hygienic conditions of the route will require a maintenance of a discipline which will be practically military. The country may find it necessary to maintain all its reserves of credit. If Congress had abolished the bonded bank-note system in favor of an asset currency, the price of bonds would undoubtedly have fallen. If it should authorize the use of State, municipal and railway bonds for public deposits, a similar effect would follow. It is not necessary to consider the further effect of such a measure in encouraging the extravagance of municipalities, but it is not unreasonable to apprehend that if either of these measures should become law it might be found impossible to sell the two per cent. canal bonds at par. Moreover, a check might be given to the sale of investment securities of all kinds were the United States States bonds now held by the National banks to secure circulation and public deposits thrown on the general investment market.

Until the construction of the canal is settled, either for or against, it cannot be expected that radical changes in the monetary system can safely be attempted. Furthermore, the issue of the canal bonds will for a time, and perhaps for a number of years, give a needed relief by extending the basis of the present National bank currency. Government securities in all nations are not as superior to other opportunities for investment as they once were, and nations may see as much reason to nurse their credit in time of peace as they formerly did under the pressure of war. If the Panama scheme falls through there will be a longer period of uncertainty. Nicaragua comes on the stage, and negotiations, the preparation of treaties and their ratification all require time.

It is, therefore, not difficult to conclude that the prospective construction of an interoceanic canal by the United States is having an effect upon the business interests of the country. It is the same as if it was known to almost a certainty that the country within the near future would be involved in a war of sufficient size to largely increase the national debt. It is, however, contended by some that it is unnecessary to issue bonds for the construction of this canal, that the Government should use its surplus revenues for the purpose. It is possible that this might be done successfully, but there is an element of uncertainty in such an undertaking. No one knows what may take place to reduce the revenues or increase the expenses. Surplus revenues now sooner or later go back to the country. Payments in Panama or Nicaragua would not come back in the same degree. It is much better to separate the funds for the canal from the other funds and expenses of the Government. Confusion of the ordinary revenues with the expenses of the canal might give rise to many opportunities for misuse of funds. This would be in addition to the dangers caused by the chance that there might not be a surplus revenue when it was most needed.

On the whole, it is believed that the existing uncertainty as to what will be done about the interoceanic canal has a depressing effect on the business of the country in that it has prevented decisive action for the improvement of the currency, and that thus indirectly apprehensions for the future are increased which chill the confidence without which the most favorable material conditions invoke prosperity in vain.

THE CROP PROSPECTS are not at this time as encouraging as they were thought to be a month or two ago. The season has been cold and backward; in some sections drought has prevailed and in others there have been floods. Winter wheat has been injured, and there has not been the acreage of spring wheat that was expected. Corn has been retarded in the planting by the bad condition of the ground due to floods and cold weather. In fact, the present outlook is far from good, and in so far as the future prosperity of the country is dependent upon the crops there is some apparent ground for discouragement. Cotton prospects, as far as the season's yield is concerned, have been clouded by the weather in much the same manner as the prospects for the cereals have been affected.

It is, however, the custom to discount every event in advance, and traders who care little for anything except the immediate results of their deals are not as yet much dismayed.

The bad outlook here for wheat has not raised prices, because the reports from abroad are more favorable than they were earlier in the year.

Those who attempt to predict a season's outcome are apt to prove mistaken in their prophecies, or if the results are as foretold they may be convicted of ignorance because success or failure has not been the consequence of the reasons alleged by the inspectors of the future.

It is a fact that very few seasons progress altogether favorably. There is a tradition among farmers that once in a while there arrives what is called a lazy man's year, when every crop grows and thrives because all conditions are from beginning to end auspicious.. These years do not happen very often, although patriotism may claim that they occur oftener in the United States than anywhere else. This season's record so far points to the fact that this is not one of those years of plenty, when bounteous Nature of her own free will relieves the tired muscles of the agriculturist.

Whatever truth there may be in this theory of especial years of plenty, it is usual for the weather to so average up throughout the whole season as to enable farmers to obtain good crops even when floods and droughts and lack of sunshine seem to hold back vegetation during the usual growing period. There is plenty of time yet for a successful agricultural year. A late and backward spring is often compensated for by a long continuance of summer into the autumn months. Nature possesses vast powers of recuperation and often more than makes good destruction that seems without a possibility of reparation.

It is doubtful whether predictions based on the reports which are so carefully gathered from all parts of the world as to the condition of the staple crops, are ever of any value except for the day. Those who collect these reports and receive daily the news as to how the crops look, and send out their abstracts of this news to the exchanges, are perhaps like the fly on the chariot wheel, tempted to think that they are the motor that makes all things whirl. The individual farmer who inspects his growing crops every day and sometimes hourly and constantly, can draw no sound prediction of what the end will be. He can note changes for the better or the worse, but good fortune may come in a chance shower, or bad in a blight or invasion of some insect terror. On a large scale this kind of observation tells how deficiencies and losses in one place are made up by favoring conditions elsewhere. After all the report is but for a day. Till the season is ended there is nothing to rely on, except for those who make the rumors of the day the basis of their temporary speculation. The real prosperity of the country depends not at all upon the passing opinions of the bulls and bears who seek out of incomplete information to guess whether prices will rise or fall a point.

The real value of these crop reports, like that of any information lies in their completeness, and they are of great use in giving all producers the fairest possible chance to receive correct equivalents for their products. If too much relied on in speculation these reports of a crop's progress may prove very deceptive. Any one dealing in American securities who was led to optimistic views, and paid high prices because two months ago crop prospects were unclouded, and would, now that floods and drought and lack of sunshine have clouded these prospects, be willing to sell at a loss, in each case would be equally foolish. When the reports of each crop are complete with the record of the harvest, then alone can it be known what is added to the real resources of the land. It makes no difference what the intervening opinions have been or how prices have been affected by reports, favorable alternating with unfavorable, the result in the aggregate wealth of the country will be the same when the crop finally comes to market.

The general tendency of this daily forming of new opinions as to prices in the grain exchanges based on daily reports from all agricultural sections, is to equalize prices. No rumor or report can usually continue long until it is contradicted or modified by another. Bad reports from one section are checked by good ones from others. The losses and gains which traders make by backing their temporary guesses do not increase or diminish the resources of a country to any perceptible extent. It is also doubtful whether speculation, even in the most extravagant forms, is at all injurious to the real industrial and agricultural interests. The realities remain little affected by it.

While as far as this MAGAZINE is concerned it was believed that the crop reports of the earlier months of the year were likely to prove too high colored and that the chances were against the continuance of such bright prospects, it is now thought that opinions are swinging too much to the other extreme. The wet weather of the present season has not been nearly as unfavorable as that of last year. Rains, where rains have prevailed, have been followed by more wind which, with the absence of too great heat, has left plant life in a better condition for future growth when the summer heat does arrive. There has been little of the hot moist weather that did so much damage last season. In fact, there is as yet no reason to seriously apprehend any great falling off in the staple crops of the year from anything that has yet happened.

THE BASIS OF ALL SUCCESSFUL TRADE is honesty and fair dealing; at least, this trite proposition is assumed to be true by all writers on political economy. Moralists, while recognizing the weaknesses of humanity as displayed in individual conduct, have fallen back with confidence on the fact that the common sense of mankind recognizes the advantages of fair dealing as a policy. "Honesty is the best policy," is a time-honored proverb. Economists, in formulating the natural laws controlling business, take little note of aberrations that are caused by dishonest methods. They assume that such methods are sure to evolve their own cure. The developments of modern business by corporations and combinations have shaken, if they have not altogether overthrown, many economic theories, and the organization of labor on the large scale witnessed in modern times has similarly upset many of the hard and fast assumptions in regard to the effect of the laws of supply and demand on the labor market. Political freedom enters into the problems with increasing importance. Combinations, either of capital or labor, cannot attain any great effectiveness where the powers of government can exercise arbitrary control. Ancient monopolies were powerful because they derived their strength from the support and backing of government. Modern monopolies flourish because they are free from government control. Individuals who possess political rights cannot be oppressed by arbitrary government. Modern combinations, either of capital or labor, obtain most of their power and vitality from the political and legal rights of the units of which they are composed.

Whether it be true or not, as is frequently alleged, that the powers of combination are used for purposes of corruption, every thoughtful person must recognize the fact that they afford opportunities for accomplishing ends by bribery and receiving bribes upon which there is at present no adequate check. Hitherto these charges of corruption have almost invariably been made against the combinations representing capital. Also these charges have usually pointed at the corruption of those who could impose or withhold political restrictions. Organizations of labor and their leaders have generally been assumed to be more honest in their methods than combinations of capital. The labor leader has been regarded as a man devoted to the welfare of his class, who, though often fanatical, impracticable, and unnecessarily inclined to violence, was at least above the plane of those who sell honor for money. Recent charges imply that the men to whom labor deputes the management of its organizations, are learning the ways of the wily capitalist, and are awakening to the existence of opportunities for gain by the exploiting for money of the control of labor deputed to them. If all that has been published as to the ways and motives of the walking delegate be true, it would appear that he has become exceedingly wise in regard to the powers of his position.

In the days of innocence, when a strike was ordered, it was supposed to be a remedy for some grievance of the workman. Now the strike is called for the benefit of the labor leader. Rivalries and competitions of employers in the same trade are studied, and the walking delegate dispenses his favors to them for a consideration in precisely the same manner as the political boss is accused of doing. One furnishes or withholds labor, the other deals in legal privileges and restrictions. One has a legislative body at his service, the other a monopoly of labor of a particular trade. Employers of this labor, rivals and competitors, are as quick to see the advantage of dealing with the walking delegate as are rival corporations to perceive the advantage of negotiating with the political boss. In fact, there are greater possibilities of advantage to an employer of labor dealing with a walking delegate than in the case of a corporation merely warding off attack or procuring legislative favors. The employer can bribe, not only to obtain labor for himself, but at the same time prevent a rival in business from obtaining the necessary workers.

With all the alleged corrupt practices of legislatures, there are limits in the making of laws. The constitution compels equal treatment of all individuals or corporations. No legislature, however corrupt, could hope to make effective a law which would restrict one corporation and grant a privilege to another corporation of the same class. A walking delegate has no constitution to control him, and can blow hot to one employer and cold to another. Employers, too, learning the game by being sought for by the controller of labor seeking his own emolument, as their education progresses, discover how to conspire with the walking delegate against rivals. There are in fact no limits as yet to the use of that kind of corruption. Nor is it difficult to imagine how dealings between organized capital on one hand and organized labor on the other, cynically and scientifically developed, in other words, guided by sagacity and intellect devoid of moral scruples, may easily upset all calculations based on the laws of supply and demand.

As a result of these corrupt practices labor becomes more and more under the control of capital. The workingman may seem to gain some temporary advantage, but in the long run he becomes a mere counter, as much the property of the labor leader as coins are the property of the capitalist. Dealings of this sort eventually make the workman the property of the class he is supposed to be making terms with, Indications in corrupt proceedings of this kind point to a lack of power both on the part of the employer of labor and the workingman to view the matter from a moral standpoint. There seems to be a degree of cynicism, of unconcern as to the right and wrong, on the part of both. The laboring men still have faith in leaders who practice blackmail, and employers as a rule seem to regard blackmail, of which they are the subjects, as only one more incident necessary to the successful conduct of business.

The only redeeming feature is that there is still some hesitation in giving evidence and revealing the truth. This is the tribute that vice pays to virtue. All pretext that the passing of money for calling off strikes is regarded as legitimate business, is swept away by the aversion to give evidence and the euphemisms and excuses employed in such explanations as are made.

It is impossible that such conditions, once known to exist, can continue. If employers all become cognizant of the manner in which it is possible to avoid labor difficulties by purchase, they will begin to bid against each other, and this will raise the demands of the walking delegate. This will bring combination and resistance. On the other hand, the workingmen will probably learn before long that organizations which merely fill the pockets of the leaders with money that should go to the workers are directly opposed to labor interests.

GREAT INDUSTRIAL CORPORATIONS in their financial management afford an interesting field for study, as is illustrated by the unpleasantness which has arisen between the shipyard trust and the Bethlehem Steel Works. This controversy seems likely to throw some new light upon the character of the negotiations by which control of great properties is sought to be gained and transferred.

Trust operations in their inception no doubt yielded profits to the stock and bond holders of the corporations that were consolidated. The greater share of these profits appears to have been absorbed by those who were on the inside, by the promoters of the combinations, but there was enough left to the outside holders to highly impress the general public with the advisability of following the lead of the men who conceived these schemes. Many holders of stocks and bonds regarded as almost worthless were agreeably disappointed and surprised at receiving high prices for their supposed hopeless investments. Faith in the supernatural astuteness and sagacity of the leaders of the new school of finance was thus secured, and there seemed at one time almost no limit to the successful outcome of every enterprise in which they might take a hand. The conviction grew that the resources of these men were so great, and were wielded with so much wisdom, that failure was impossible. By degrees, however, doubts began to materialize—large blocks of the new stocks and bonds began to hang heavy on the markets. There arose much talk of undigested securities. The belief begins to grow that the promoters after all expected the public to furnish the pepsin which was to assimilate this great mass, extract its nutritive value and add it to the rich circulation of confidence necessary to maintain the general prosperity. The public have been relying on the financial leaders to evolve wealth from these manipulations and at the same time the financiers have been relying on the public.

The shipyard promoters came rather too late into the field. After making the original shipyard combination, their ambition rose and they thought the process could advantageously be extended so that they might themselves produce the material used in their construction work. Then a negotiation was entered into with Mr. SCHWAB for the Bethlehem Steel Works. The issues of stocks and bonds necessary to satisfy Mr. SCHWAB were of such magnitude that by holding them Mr. SCHWAB virtually obtained a controlling interest in the whole combination. But evidently this was not his immediate purpose, nor was it anticipated by those representing the shipyard combination that he desired this control. The expectation on the part of both was that Mr. SCHWAB would unload the securities he received upon the general public. This expectation was not based on any desire to deceive the public. It was no doubt believed, and even great promoters deceive themselves by over confident expectations, that the affiliation of the steel plant at Bethlehem would place the shipyard combination in such an advantageous position to save all the profits on the iron and steel work required in constructing their ships, that they might safely count on general profits sufficient to meet the dividend charges on the old and new securities. Theoretically, perhaps, this should have been an almost certain result. If this had been realized, the public demand for the securities would have enabled Mr. SCHWAB to unload; the new issues would have been digested.

It might be of interest to consider what were the reasons that this plan, which seems to conform to all the principles insuring the success of similar combinations, did not succeed. If the business of the shipyard combination was calculated fairly, and the saving to be effected in the material used by owning their own steel plant was calculated correctly, the promoters ought to have known what they could pay Mr. SCHWAB for the property desired. Probably all this was sufficiently convincing to those engaged in the negotiations when the bargain was made. That there was any desire to foist worthless or overvalued stocks on the public is not to be believed. Mr. SCHWAB'S interest did not lie in that direction. The reason of the failure of these securities to command their expected value should be looked for in other directions. There has undoubtedly been some unexpected check to the progress of the business, either because more time than was anticipated is required, or from some mismanagement of the united plants. No one can blame Mr. SCHWAB for desiring to correct faults which seem to block the prosperity of the combination. He may see obstacles seriously blocking the success of the whole business which correct management could remove. He seems to have been fair in offering an alternative to those who represent the opposing shipyard interests. Either let me take control presumably to introduce such management as will insure the success of the original calculations, or give me back the property you purchased of me and make good what I would have had if I had not turned the property over to you. This is not unreasonable.

The suits in court are not likely to be argued on the main principles involved. Each side, when engaged in a legal controversy, seeks to put the other in the wrong. Public opinion is sought to be invoked by charges and countercharges that the opponent was desirous of foisting worthless securities on trusting and innocent investors. So many quarrels of this kind have been aired in the courts, and there have been so many accusations that the business of the modern financier is to exploit the public, that really it begins to appear as if this were true. But it is unreasonable to suppose that those who finance the industrial interests are actuated by unworthy motives. They desire first of all the success of these industries. They desire to place them in a position to make the largest possible returns on the capital invested, or created by betterments of plant or organization. They have to rely on the estimation of the public for the credit in which they stand, and it is incredible that they should deliberately calculate on robbing investors. Constantly changing conditions in the industrial world make it extremely difficult for the most conservative to avoid mistakes.

THE CONSOLIDATION of the Western National Bank with the National Bank of Commerce in New York is to go through, making, it is anticipated, one of the largest banks in New York city. The capital will be twenty-five millions, and by a late weekly report the net deposits of the two institutions were over 118 millions. The available resources will therefore closely approach $200,000,000.

The National Bank of Commerce before it became a National bank, in 1864, was doing business under the Banking Laws of New York State. It was the only bank in the country having a capital of $10,000,000. When the national system was put in operation, in 1863, the State banks were averse to becoming nationalized. In 1864 Congress taxed away their circulation privileges, and made it easy for those desiring to do so to become National associations. It was thought best to offer a special inducement to the Bank of Commerce, the largest bank then doing business in the country, to join the new system, and section 60 of the act of 1864 provided that any existing bank with a capital of $10,000,000 and a surplus of twenty-five per cent. on becoming a National bank would be relieved from the provision of the law imposing a double liability on stockholders. The Bank of Commerce was the only bank to which this part of section 60 applied. The charter of the National Bank of Commerce, renewed from time to time, contained this exceptional provision, and this, as well as its being historically the older institution, caused the decision that the National Bank of Commerce should swallow and digest the Western, rather than the reverse.

The new institution is still far behind the Bank of England in capital and deposits, and in its power to issue circulating notes. It will probably be as powerful an institution as the National City Bank, that is, if all the accounts of the Western National are conveyed to it. There is still material among the associated banks for the making of a larger institution, which would outdo even the Bank of England. It is not impossible that the great central bank, refused by Congress, may grow up by natural development under present laws. Once in existence and strong against any possible shock, it is possible that such a bank could be granted a currency privilege without exciting the jealousy of other institutions.

A CENTRAL BANK for issuing currency is occasionally suggested. This bank would have the exclusive privilege of providing bank notes to the existing institutions upon their putting up security satisfactory to the issuing bank.

If the process of consolidation of the New York Clearing House banks continues as rapidly as it has during the last five years, it will not be a lifetime before the whole association may be merged in one overwhelming corporation, bigger than could be started from new capital. Such an institution would be large enough and strong enough to furnish a safe currency if Congress should grant the power. Until this consolidation occurs, the proposition for a great central bank in this country will hardly be taken seriously. The jealousy of all the existing banks would prevent Congress from taking any step to encourage *de novo* the organization of any bank on the lines of the former Bank of the United States. Of course, if such an organization just grew, like "Topsy," as seems not unlikely from the progress of consolidation, the thing being already to hand, Congress might recognize its value and the other banks of the country might not then oppose the utilization of it to furnish a currency either in the form of promissory notes or its certified checks.

If such a consolidation should be formed it would necessarily follow that the present clearing-house would be done away with or rather absorbed by the colossus that was composed of the former associated banks. In its dealings with the other banks outside of the present clearing-house there would have to be clearings of some kind, and probably a new clearing-house would be started which would be under the direction and management of the great bank. Most of its own payments would be arranged by transfers of accounts, as it would hold the accounts of all the chief financial institutions in the whole country.

As has been remarked before, centralization of industries and properties is the order of the day. Banking has so far been less affected by it than any other form of business. In New York city the process seems to have begun.

THE DEMAND OF THE CLEARING-HOUSE BANKS of New York city that the trust companies which enjoy the facilities of the clearing-house shall carry additional reserve has been complied with by seventeen companies. Nine have withdrawn. The banks proper never complained of the companies as long as the latter confined themselves to the business for which they were especially constituted. They complained when the companies entered into competition with the banks on the special field of the latter, using the facilities afforded by the banks to compete with them.

The seventeen companies which have deemed it best to comply with the reserve conditions required have shown by their action that they were not willing to sacrifice their banking business and depend simply on the trust business. Apparently, the nine that have cut loose from the clearing-house do not regard the banking business as of sufficient importance to go to the expense of holding the cash reserve required.

It is difficult to understand why a trust company having all the business it needs in its legitimate line should wish to compete with the banks in theirs. Probably more trust companies than were really necessary have been organized because of the financial opportunity to do a banking business as an auxiliary source of profit to their trust business. Therefore, it seems likely that the trust companies which still remain in the clearing-house will gradually withdraw as their trust business increases. This view seems to be borne out by the fact that the nine companies withdrawing from the clearing-house control comprise some of the oldest and strongest of the whole twenty-six.

For years the banks have been grumbling about the competition of the trust companies. They endeavored to equalize taxation and to obtain legislation which would make them less formidable competitors. Why did the banks not do before what they have done now? This is probably to be explained by the immense increase in strength and resources of the clearing-house banks during the last ten years, and the greater compactness of the organization from the reduction in numbers by consolidation. The larger banks undoubtedly exercise a stronger control and make possible a stronger policy than could be enforced formerly.

SYNDICATES AS PROMOTERS OF FINANCIAL ENTERPRISES.

The syndicate as a financial contrivance is probably old in principle, but it was new to the financiers of the United States when the name was first heard in connection with the refunding operations conducted when Mr. Sherman was Secretary of the Treasury. Since then syndicates have been used several times in floating loans of the United States. A notable one was the Belmont-Morgan syndicate to protect the gold reserve during Cleveland's Administration.

A syndic was originally a sort of judge, and a syndicate a council composed of syndics. The term was a high-sounding one and seemed especially fit to designate a combination or affiliation of capitalists formed to conduct some monetary operation in which profit was almost sure to accrue, but which was on too large a scale for one single bank or capitalist. The name had a sort of sacred sound and well conveyed to the mind of the great investing public, which was the source from which the profits were to be derived, the almost reverend and sacred character with which the syndicate sought to invest its transactions. It at once suggested grave and reverend seniors, whose word was their bond and whose wealth was beyond computing. No one but bankers of world-wide renown could be supposed to be members of so august a body, and it was seldom that occupation could be found for it outside of government loans. It is only within the last decade that the syndicate has been applied to baser uses.

The profits of the bankers concerned in these combinations, when Government loans were involved, were not very astonishing. They were, however, sure—and comparatively small as they were the mind of the average citizen was easily stirred up in envy. Much vituperation was spent on the Belmont-Morgan syndicate because it sold bonds allotted to it at 104 at 112. The Government loan became such a good thing that the Treasury authorities did not have to beg a syndicate to take the securities. They found it more profitable to solicit bids and allot the bonds to the highest bidders. Popular loans succeeded, and syndicates having worked themselves out of a job on Governments, began to take up securities of large commercial and industrial enterprises.

With the inauguration of trusts, syndicates found a new field. These billion-dollar capitalizations gave great opportunity for profits compared to which the profits on floating Government bonds were small indeed. But as the profits increased so did the risks. A very few years ago when the syndicate method of underwriting enterprises was in the first bloom of its success, banks and financial institutions crowded one another in their desire to become one of the favored syndics. Profits were sure and large and risk appeared to be small. The money required in case the public did not take the securities was easily promised and signed for. But as the best enterprises were by degrees financed in this manner, others of less intrinsic merit came on the stage, or perhaps the investing public was glutted. The underwriters now began by degrees to discover that it was not all of such an undertaking to take the profits. Syndicates began to be left with securities on their hands which the public did not ask for even when urged. The underwriters had to take these securities themselves and pay for them and then get rid of them as best they could or hold them. Hence the undigested securities of which so much is heard.

This result took off the fine eagerness with which capitalists once responded to the promoter of the syndicate. Formerly a great name in finance carried through a proposition without question. But now underwriters have to be sought for. The promoter, too, has grown cautious and avoids responsibility by inviting the fullest and most careful examination.

This course of events and change in syndicate business does not indicate any serious falling off in the real value of the securities dealt in. It is natural that the surplus capital seeking investment should have its periods of increase and diminution, and that after changes in the form of investment have been accomplished, periods of rest should ensue. The syndicates found a harvest in the changes which the desire to cure the evils of excessive and blind competition made necessary. Now that these changes have been generally made time is required to show how the productive industries will progress under the new conditions. In so many great transactions it was inevitable that some abuses should creep in. There are, however, still other fields in which capital has not yet been subjected to the consolidation process.

There are indications in the consolidation of banks heretofore regarded as great into institutions of still larger power, that the syndicate itself will be consolidated. How much better for the promoter to have at his command one institution capable of underwriting capitalizations, which formerly he had to offer to a dozen or more affiliated banks and financial institutions. But even if the syndicate is thus rendered for a time unnecessary, it may appear again in more gigantic form when two or more of these great banks join hands as the smaller ones did before.

What enterprise is there that will demand the services of so much capital, it may be asked. It is not difficult to guess that consolidation of the railroads of the country will be a work worthy of the greatest financiering power and skill. This process of railway consolidation has hardly begun, and yet such combinations as have already been made have been looked upon as startling in their magnitude. The National Securities decision has caused promoters to review the ground and to seek for methods which do not infringe existing law and constitutional provisions. Just as in other industries there were some corporations that paid and others that did not, so to-day there are railways that pay and those that do not. Any one who examines the lists of railway bonds and stocks at once notices the great diversity of prices. If consolidation has done so much for many industries, there is every reason to believe that the railways afford a still greater field for the trust remedy. If, for instance, all the roads in the country were under one management, by judicious arrangement of the business of the various lines, by the cessation of injudicious competition, and by establishing new connections, it is almost certain that the poorest paying roads could be greatly improved not only for the benefit of their bond and stockholders but also of the resources of the territory through which they run. Socialists would bring this about by Government ownership, but how much more cheaply and thoroughly it can be done by private effort. The largest capital will be none too large to bring this about. There is no end to the financial game. The largest ideas of one period are speedily outdone by those of the succeeding period. The syndicate has perhaps more than any single instrumentality enlarged financial ideas. On the other hand the experience of syndicates has shown that in large as well as in small undertakings there must be the same care that the basis on which the greatest structure is raised must be sound in all its lesser units. In all enterprises there must be an income-earning power. Better management may conserve and increase it. Over-capitalization will not diminish it, although such over capitalization may change its distribution and interfere with proper management.

NEW YORK'S FINANCIAL PRIMACY.—The fact that New York city is soon to have the largest bank in the world need not surprise anybody. New York is the second of the world's cities in size and the first in the amount of its business. The total of its bank clearings has led that of London for several years. The gap between them must grow wider and wider as time passes. More millionaires reside in New York than in London and Paris together. Within a quarter or a third of a century New York, at the present relative rate of increase of the two towns, will lead London in population. Long before that time the world's financial center will be on this side of the Atlantic. That $100,000,000 bank which is soon to be established in the American metropolis will probably have many counterparts within the next ten years.—*St. Louis Globe-Democrat.*

A BANKER HONORED.—At the Republican State Convention, held at Columbus, June 4, Hon. Myron T. Herrick, President of the Society for Savings, Cleveland, and former President of the American Bankers' Association, was nominated for Governor of Ohio. The following was adopted as the financial plank of the platform: "The Republican party, having restored the national credit after it was nearly destroyed by the Democratic party, and having maintained, defended and advanced it to the highest in the world, with every dollar of full value, and having given to the people the only banking system that operates uniformly everywhere without loss and at lowest cost, should now endeavor within safe lines to stimulate local bank circulation, thus securing an elasticity of currency supply commensurate with business demands; and we favor well guarded legislation to this end."

SENATE COMMITTEE ON FINANCE.—The following is a list of the Finance Committee of the Senate: Nelson P. Aldrich, Rhode Island; William B. Allison, Iowa; Orville H. Platt, Connecticut; Julius C. Burrows, Michigan; Henry C. Hansbrough, North Dakota; John C. Spooner, Wisconsin; John P. Jones, Nevada; Geo. G. Vest, Missouri; John W. Daniel, Virginia; Henry M. Teller, Colorado; Hernando D. Money, Mississippi.

A sub-committee, including Senators Aldrich, Platt and Spooner, have had charge of the drafting of a new financial bill which will be laid before Congress at its next meeting.

THE HISTORIC FAILURE OF BIMETALLISM.

[Interest in the subject of bimetallism has been revived by the movement to adjust the monetary systems of Mexico and China—the last of the great silver-using nations—to the gold standard. Mr. Charles A. Conant, the author of the following article, is now in Europe as a member of the Commission on International Exchange, conducting negotiations on behalf of the United States, Mexico and oriental countries looking to the establishment of more stable relations between the currencies of countries on the gold basis and those still using silver as the standard. Preliminary to a consideration of the work of the commission, it will be interesting to study the historic failure of bimetallism.—Editor BANKERS' MAGAZINE.]

The theory of a bimetallic currency has had for many able minds a peculiar charm, which has made them the willing champions of a monetary system avowedly supported by others on grounds far from scientific or well-reasoned. Bimetallism in its proper sense means that the mints shall be open to the free coinage of two metals, like silver and gold, at a ratio fixed by law and that the coins of these metals shall be legal tender without distinction and without limit in amount. Any other method of employing two metals together as money—such as the control of the output of the coins of one metal by the Government or the limitation of the amount for which one of them is a legal tender—may fall within the etymology of the term bimetallism, but hardly within its proper economic meaning. Such monetary systems fall properly under the classification of a limping or composite standard. Thus France, when she closed her mints in 1873 to the coinage of silver bullion at the will of the owner of the bullion, ceased to be under the régime of bimetallism. She passed under that of the limping standard. Her act of legislation made at the given moment no change in the concrete composition of her currency; but it signified that thereafter the elastic element of her metallic money, which might come and go, at the will of its holder, through her mints into and out of the channels of her circulation, should be the single metal, gold, and not the two metals, gold and silver.

Bimetallism has found scientific defenders upon the ground that it affords distinct advantages as a monetary system over monometallism. Few have denied that it would have such advantages if the ratio fixed by law between the two metals could be maintained in the bullion market. Upon this point, the contention of the advocates of bimetallism was thus set forth with clearness and precision, by the British Gold and Silver Commission: *

> "If the possessor of any quantity of silver could, by taking it to the mints, have it converted into coins available as legal tender at a fixed ratio with gold, he would never part with it except at a gold price closely approximating to the value represented by that ratio. The variations in the gold price of silver would, therefore, be scarcely appreciable."

Whether this statement is supported by facts and sound reasoning is the crux of the dispute regarding the practicability of bimetallism. Two questions are raised by the position of the bimetallists: (1) Whether the adoption

* Senate Misc. Doc. No. 34, 50th Congress, 2nd Session, p. 60.

of a bimetallic coinage system would modify the relations of value which would otherwise exist between gold and silver; and (2) whether, if such modifying influence is granted, it would be of such a character as to give absolute fixity to the relationship between the two metals? Towards a correct solution of these questions it will be necessary to consider such historical facts as are available and afterwards the reasoning based upon these facts and upon abstract theory.

The French Test of Bimetallism.

The most conspicuous test of the system of keeping gold and silver in circulation side by side was made in France from 1803 to 1873. The legal ratio between the two metals was fixed in 1785, upon the recommendation of Calonne, the Minister of Finance, at 15½ to 1, which has been so much discussed by the advocates of bimetallism. In 1785, however, the free coinage of gold was not established in France, but such old gold coin as was then in circulation was recoined at the new valuation. It was in 1803, when the administrative and financial system of France was being reorganized by Napoleon, that the French bimetallic system, so-called, was adopted. The ratio of 15½ to 1, chosen by Calonne, was then retained, and provision was made for the coinage of both metals. The French law, however, was not so clearly a bimetallic law as most of the advocates of the system in modern times have maintained. Gaudin, the Minister of Finance, did not apparently have any inkling of the modern bimetallic theories, that opening the mints to both metals would tend to maintain their relative value by affording an unlimited outlet for the cheaper metal when the dearer ceased to be brought to the mints. He adopted a ratio which was nearly the market ratio of silver and gold, but which slightly undervalued gold and would therefore tend to make silver the standard in use and keep gold out of circulation. The new law, moreover, by no means consciously adopted the bimetallic system in the sense in which it is now generally understood. The law simply declared:

"Five grains of silver, nine-tenths fine, constitute the monetary unit, which retains the name of franc."

The unit of the French monetary system, therefore, was a silver coin. It was simply provided that gold was to be coined in twenty and forty-franc pieces at the fixed ratio of 15½ to 1. Gaudin had heard so little of the modern bimetallic theory that his first project contained an explicit recognition of the probability that the rating of gold to silver might require to be altered from time to time; but this was stricken from the plan in the course of discussion.*

These facts are important, not as weakening the force of any abstract arguments for bimetallism, but as tending to show from the actual record of events that bimetallism hardly existed even as an abstract conception among the statesmen of 1803. If true bimetallism resulted from the operation of the French coinage law, it was the result of the evolution of events, and this would be in some senses a more important evidence than academic theories of the utility of such a system, by showing its adaptation to actual conditions. We shall see, however, that the plan of 1803, although adopted in Belgium in 1832 and later by Switzerland, Italy and Greece, did not maintain among the money changers the concurrent estimation of gold and silver at the valu-

* Walker, p. 88. A provision of this character was preserved in the Belgian Law of 1832.—*Vide* Anslaux, "*La Question Monétaire en Belgique*," p. 8.

ation given by law. On the contrary gold flowed into the country and came to the mints when gold was worth less than the mint rate in relation to silver; gold flowed out of the country and was not brought to the mints when it was worth more than the mint rate in relation to silver.

Examination of the coinage and the foreign trade statistics will illustrate these tendencies. From 1803 to 1848 the circulation of France was almost entirely of silver. From 1795 to 1847 gold formed 22.9 per cent. of the coinage of the two metals, silver 77.1. From 1830 to 1848 gold was only 10.9 per cent. and silver was 89.1.* The movement of foreign trade showed that up to 1837, so far as the figures are available, there was a slight excess in exports of gold over imports, while the net imports of silver amounted to 1,032,000,000 francs ($200,000,000). It cannot be assumed, however, that the absence of heavy net exports of gold from France indicates the continuance of the use of gold in currency. France was not a gold-producing country and it is not an unreasonable assumption that for thirty-five years her consumption of gold by jewelers and by other artisans equalled 10,000,000 francs a year or 350,000,000 francs ($69,000,000) in thirty-five years.† Obviously such a use of gold made a material deduction from the stock in use as currency.

The question whether gold disappeared from circulation in France during the period ending with the great gold discoveries about 1850, and thereby demonstrated the breakdown of the bimetallic system, has been warmly debated, but it appears to be largely a question of opinion as to what constituted a gold circulation. Gen. Walker endeavors to show that "although silver was being imported to an enormous extent, because overvalued in the coinage, gold still remained money in France in appreciable quantities." ‡ Whether "appreciable quantities" remained or not seems to be somewhat apart from the question whether concurrent circulation was successfully maintained. It was declared by a French official report in 1872 that up to 1850 "silver was our sole monetary circulation." Another report, made in 1869, quoted Gaudin as estimating that in 1803 one-third of the metallic circulation of France was of gold, but declared that in 1848 almost all of this gold had disappeared and out of 53,000,000 francs then possessed by the Bank of France, only 1,000,000 francs was in the yellow metal. It was customary in those times, that "when one was paid even so small a sum as 1,000 francs, he received this bulky and heavy money in a canvas bag and had to hire a porter or a cab to carry it home." §

Effect of the Gold Discoveries of 1848.

Whatever happened in France prior to the gold discoveries of 1848, there is little dispute as to what occurred afterward. Gold, by reason of the large amount produced in California and Australia, fell below silver in value at the French coinage ratio and began to pour into the French mints in a golden torrent. Silver ceased to reach the mints, and was largely exported, but at a rate which did not entirely offset the influx of gold. This was due to the fact that the increase in the world's supply of metallic money permitted a

* Willis, p. 5.

† "There is, furthermore, reason to believe that the exports of gold consisted chiefly of coin, while the imports of gold were largely of bullion."—Willis, p. 4.

‡ "International Bimetallism," p. 126.

§ Report of U. S. Monetary Commission of 1876, p. 146.

larger distributive share to fall to France, but much more than the net increase was in gold. The contrast between the amount of coinage of gold and silver at the French mints before and after the opening of the California mines is thus graphically presented by M. Arnauné:*

PERIOD.	*Average commercial ratio.*	*Gold coined, francs.*	*Silver coined, francs.*
1821–1850....................	15.76	453,174,270	3,190,913,437
1851–1870..........	15.44	6,436,080,610	528,138,619

Thus, with a change of little more than two per cent. in the average ratio of the two periods, the percentage of gold coinage to silver coinage changed from about one in eight parts of value to about twelve parts in thirteen. The experience of France under this avalanche of gold is one of the arguments most dwelt upon by the bimetallists to prove the value of a double or bimetallic standard. They maintain that if the French mints had not been thrown open to gold, and the laws of France had made silver the sole legal tender, the new gold would have been pent up in the old gold countries, would have produced by its increase of volume a disturbing rise of prices, and would have cheapened the yellow metal to a point which would have carried it very far below the ratio of 15½ to 1. There is some force in these arguments.

The outlet afforded by France for the new gold undoubtedly contributed to widen the circle of demand for the metal and thereby to maintain its value. The effect of the depreciation which would have fallen upon gold without the French mint laws, however, and the disturbing effects upon values and prices which was actually felt, were greatly exaggerated at the time and have been greatly exaggerated since. Chevalier, although fully cognizant of the French bimetallic law, anticipated that the new gold would raise prices by fifty per cent. and Prof. Jevons estimated a rise of thirty per cent., by the simple operation of the increase in the quantity of money in relation to commodities.† Nothing of the kind occurred or probably would have occurred even if the French monetary laws had been different.

The essential weakness of the reasoning of Prof. Jevons was that he ignored the operation of one of those economic laws of which he was himself a leading exponent—the law of marginal utility, or the natural selection by men of the most efficient and economical tools for accomplishing the maximum of results. Gold was generally recognized before the discoveries of 1848 as the most efficient money of modern commerce. It was relatively scarce, however, and therefore difficult to obtain except at a high price in other capital. This being the case, even wealthy nations hesitated to adopt gold as their sole standard. When gold became relatively plentiful, a demand which had before been ineffective because of the high price of gold, and had been simply lying in wait for a fall in its price, came into play to meet the increased supply. A desire which had not reached the character of an effective demand and could, therefore, according to economic reasoning, be ignored, thus became an effective demand. It is plain, therefore, why France absorbed more gold than she exported silver. She needed a larger medium of exchange, especially in her rural districts, to meet the expansion of commerce which

* *La Monnaie, le Crédit et le Change*, p. 172.
† "Investigations in Currency and Finance," p. 74.

was beginning with the development of new means of production and transportation.*

FORMATION OF THE LATIN UNION.

In Switzerland the attempt to adopt the French silver system, which was made by the law of 1850, was defeated by the fall in the value of gold. French gold coins flooded the country, the silver five-franc pieces first disappeared and then began to follow them the subsidiary pieces of one and two francs. Switzerland by a law of 1860 saved her subsidiary circulation by reducing it from the fineness of nine-tenths to eight-tenths. These coins were introduced across the French frontier as substitutes for the French coins, which by reason of their greater fineness, were melted up and sold as bullion.† Italy adopted the French system of coinage, but with subsidiary coins of the fineness of 0.835, by the law of August 24, 1862, and got in circulation more than 100,000,000 francs in the new pieces while France hesitated.‡ At length, so manifold were the difficulties caused by the undervaluation of silver in all the countries where the French decimal system prevailed, that an international conference was summoned, on the motion of Belgium, for considering some method of arresting the loss of silver. This conference, held during the autumn of 1865, resulted in the convention known as the Latin Union. The parties to the union were France, Belgium, Italy and Switzerland. Greece soon signified her adhesion to the convention, and the coinage system of Spain after 1868 was modeled on the French system, although Spain did not become a member of the Union.

The essential result of the conference was to reduce the metal in the subsidiary silver coins of the countries of the Union to a point which would carry them below their face value in gold and prevent their exportation. The formation of the Latin Union was, in the language of Mr. Shaw, "a measure of defense against the action of the bimetallic system in those countries which had adopted the monetary system of France, and lay exposed to all its disastrous fluctuations." § The idea has grown up among careless observers that the Latin Union was a convention for the promotion of bimetallism and a common coinage system among the countries taking part. The fact was substantially the opposite. The countries which took part had already adopted the French monetary system and the conference was called for the purpose of guarding against the difficulties which had developed under its operation. The convention of the Latin Union practically adopted gold as the standard of the countries taking part. The mints were left open to the free coinage of both metals, but silver was too much undervalued at the coinage ratio to be presented for coinage and it was not then anticipated that this condition would change. In order to avert the melting down of the subsidiary silver, the fineness of the coins was reduced from nine-tenths to 0.835, and in order to prevent excessive coinage the quota for each country was fixed at six francs ($1.158) per head of the population.

The conditions which attended the formation of the Latin Union in 1865 changed radically within the next three years. The production of silver

* Prof. Jevons notes the influence of "the *extension* of the currency of the world, caused by the spread of commerce," but expresses the opinion that "most writers have over-estimated the consumption of gold" due to this cause.—"Investigations in Currency and Finance," p. 69. † Laughlin, p. 147. ‡ Willis, p. 88.

§ "History of Currency," p. 120.

throughout the world in proportion to gold greatly increased, the output of gold slackened, and silver fell to a bullion value in 1867 of 15.57 to 1. This made it more profitable to present silver to the mints for coinage than gold and changed entirely the nature of the problem confronting the countries of the Union. Then came the war with Germany, which greatly impaired the financial as well as military prestige of France, and the adoption by Germany in 1871 of the gold standard, followed in 1872 by the monetary treaty between Norway and Sweden and Denmark, establishing gold as their monetary standard. The current of gold which had flooded the French mints dried up and the channel was refilled by silver from the American mines. The coinage of silver at the French mints, which had been practically nothing for a dozen years, rose to 129,445,268 francs in 1868 and to 156,270,160 francs in 1873. The mint of Belgium was besieged by the owners of silver bullion and 111,000,000 francs in five-franc pieces were coined in 1873. Even in Italy, although the country was on a paper basis, it was found profitable to present silver for coinage to the amount of 42,000,000 lire.

Action to avert the flight of French gold and the reduction of the country to a single silver standard was felt to be urgently required. The French mint took the first step in extending the time within which silver coins were delivered to the depositor of the bullion from which they were to be coined. The usual term of these receipts, which had been ten days, was extended from time to time, until in 1874 the period reached nine months.* More drastic measures than mint regulations were required, however, to effectively check the flood of silver and save France from silver monometallism. The convention of the Latin Union was called together annually for the four years beginning with 1873, the free-coinage of five-franc pieces was suspended, and the maximum coinage to be allowed for each country was fixed by agreement.† Finally, in 1878, the free coinage of five-franc pieces was absolutely suspended, and the issue of the token coins of silver was strictly limited by various conventions of the States of the Union. The five-franc pieces already coined remained legal tender without limit; but gold was henceforth the standard, and the silver coins were kept at par with the standard in spite of the steady downward plunge in their bullion value, by the limitation of their quantity and the fact that they were received at par for public dues.

EXPERIENCE OF THE UNITED STATES.

The experiment of bimetallism in France was thus abandoned after partial enforcement for seventy years, by the deliberate closure of the mints to silver. In the United States also, at nearly the same date, the free coinage of silver ceased to be lawful, under conditions which have been the subject of prolonged and bitter controversy. The monetary system created by Hamilton in 1792 established the ratio of 15 to 1 between silver and gold. The mint was open to the free coinage of both metals and it has been contended by many American bimetallists that the system of 1792 established bimetallism in the United States. Upon this point, however, so intelligent and careful a bimetallist as Gen. Walker declares: ‡

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* Walker, p. 172.

† Absolute suspension might have been decreed but for the desire of Italy, which was on a paper basis, to hold silver in her bank reserves.— *Vide* Willis, pp. 134, *seq.*

‡ "International Bimetallism," p. 112.

"A fair trial of bimetallism, under reasonably favorable conditions, could not possibly, in the nature of the case, have been conducted here. The people of this country, throughout the period under consideration, habitually used so small an amount of either or both of the precious metals, in comparison with other nations, and in comparison with the stock of these metals throughout the world, that a bimetallic law here instituted could not have afforded a fair trial of bimetallism."

Gen. Walker further declares that "The manner in which bimetallism was put into operation here, by the act of 1792, on the one hand, or by that of 1834 on the other, was such as necessarily to bring about an early failure, even though the principle of bimetallism were admitted to be perfectly sound." He bases this statement partly upon the selection by Hamilton of a ratio which was different from that of France and was different from the market ratio.* This ratio, as established by the act of April 2, 1792, was 15 to 1. Gold was undervalued, with the result that little was brought to the mints and much was exported. It had been the intention of Hamilton to establish the double standard, because he did not believe that the United States were rich enough to retain a gold currency. The fall in the value of silver, however, caused it to be used in paying debts and made it practically from 1792 to 1834 the standard of monetary transactions.†

A new policy was adopted in the United States by the act of June 28, 1834. This act changed the ratio between gold and silver from 15 to 1 to 16 to 1. This change was accomplished by lowering the weight of the gold eagle from 270 to 258 grains of standard gold.‡ The weight of the silver dollar and the amount of silver which it contained were left unchanged, but the dollar was practically discarded by giving it a lower value at the mint in relation to gold than the value of the bullion which it contained. The change of the ratio from 15 to 1 to 16 to 1 was made with the scarcely concealed purpose of favoring the coinage of gold. The market ratio, it was declared by Thomas H. Benton, was about 1 to 15⅝, and the adoption of a higher mint value for gold would tend to bring it to the mints and keep away silver. There were several political motives for seeking this end.§ Gold had been discovered in North Carolina; the hostility to the Bank of the United States was cleverly directed against its paper issues and in favor of a gold currency; and President Jackson desired to make the public revenues of coin rather than of bank paper. The act of 1834 was known, while pending, as "The Gold Bill," and the ratio of 16 to 1 was adopted for the purpose of putting the United States on the single gold standard.‖ Its influence was so powerfully felt that

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*"International Bimetallism," p. 114.

†Mr. Gouge declared that "gold is, in the spirit of our laws, a subsidiary currency, its value being computed in silver dollars."—"A Short History of Paper Money and Banking in the United States," p. 107.

‡By the act of 1834 the amount of pure gold in the eagle was fixed at 232 grains, or a ratio almost exactly 16 to 1; but by the act of January 13, 1837, the amount of pure gold was raised to 232.2 grains without changing the gross weight of 258 grains, in order to make the fineness exactly nine-tenths. This made the ratio about 15.98 to 1. *Con.* Laughlin, p. 73.

§"The ultimate object proposed to be accomplished by Mr. Calhoun in this process of 'unbanking the banks,' was to arrive eventually, and by slow degrees, at a metallic currency, and the revival of gold. This had been my object, and so declared in the Senate, from the time of the first opposition to the United States Bank."—Benton, "Thirty Years' View," I, p. 435.

‖This is admitted by Gen. Walker, who declares that the influence of the United States, "instead of being used to sustain bimetallism, was practically exerted against it."—"International Bimetallism," p. 117.

in the autumn of 1834 gold began to move towards the United States in such volume that alarm was created for a time in London for the reserves of the Bank of England. *

It was after the gold discoveries of 1848 that the most serious difficulties began to be encountered in the United States in retaining silver in circulation. The great increase in the output of gold tended to lower its value in relation to silver and made it profitable to melt up the silver coins and export them. The operation of Gresham's Law under such conditions is well set forth by Prof. Laughlin: †

"In 1834 an ounce of gold bought about 15.7 ounces of silver in the bullion market (but sixteen ounces in the form of coin). In the period we are now considering, however, since gold had fallen in value, one ounce of gold could buy 15.7 ounces no longer, but a less number, which in 1853 was about 15.4 ounces. It will be seen at once that this widened the difference between the mint ratio of 1:16 and the market ratio, and so offered a greater profit to the watchful money brokers. Being able to make legal payment of a debt either in silver or gold, a man having 1,600 ounces of silver could take only 1,540 of them to the bullion market and there buy 100 ounces of gold, which would by law be legal acquittal of his debt. He would thus gain sixty ounces by paying his debt in gold rather than silver."

The gold standard was further confirmed and established by the act of February 21, 1853, which was passed to arrest the disappearance of the subsidiary silver coins. No provision was made in this act in regard to the silver dollar, because none had been coined for many years; it was above the gold dollar in bullion value, and it was not then anticipated that silver bullion would ever again be offered at the mints on private account for coinage into dollars. The Chairman of the Committee of Ways and Means, Mr. Dunham, in speaking upon the bill in the House, declared:

"We propose, so far as these coins are concerned, to make silver subservient to the gold coin of the country. We intend to do what the best writers on political economy have approved; what experience, where the experiment has been tried, has demonstrated to be the best, and what the committee believe to be necessary and proper—to make but one standard of currency, and to make all others subservient to it. We mean to make the gold the standard coin, and to make these new silver coins applicable and convenient, not for large, but for small transactions."

The act of 1853 reduced the number of grains of pure silver in two half dollars from 371.25 to 345.6 and reduced the standard weight from 412.5 to 384 grains, equivalent to a reduction of 6.91 per cent. The privilege of free coinage of these coins on private account was withdrawn, and their legal tender power was limited to five dollars. By these provisions the United States definitely adopted the policy of the single standard of gold, with subsidiary token coins of silver, the latter maintained at parity with gold by Government control of the output and by the limitation of their legal tender power.

THE SO-CALLED CRIME OF 1873.

From 1853 to 1861 the standard of the United States was gold, so far as it was not impaired by excessive issues of bank paper and by the suspension of cash payments in the crisis of 1857. From 1861 to 1873 the country was upon a paper basis, in which the specie value of legal-tender money was determined by the quantity in use and the credit of the general Government. This paper

* Laughlin, p. 66. † "History of Bimetallism in the United States," p. 76.

money, by its depreciation in gold value, first expelled the standard coins of gold and then dropped so low that it became profitable to melt up and export the subsidiary coins of silver. The scarcity of small change was supplied by the issue of private tokens and finally by the issue of Government notes for denominations as low as three cents. The question of the metallic standard, therefore, was not a practical one until preparations began for the resumption of specie payments. When it became necessary to prepare for the coinage of metallic money for the resumption of specie payments, it was deemed advisable by the Treasury Department to revise and codify the coinage laws. In the course of this codification demonetization of the standard silver dollar, already accomplished in fact in 1834 and confirmed in 1853, was legally recognized. The act of February 12, 1873, "revising and amending the laws relative to the mint, assay offices, and coinage of the United States," provided for certain coins, among which the standard silver dollar was not included, and then in a subsequent section provided:

"That no coins, either of gold, silver or minor coinage, shall hereafter be issued from the mint other than those of the denominations, standards and weights herein set forth."

Such silver dollars as were in existence, however, still retained their full legal-tender quality until the enactment of the Revised Statutes in June, 1874, which contained the following provision:

"Section 3586. The silver coins of the United States shall be a legal tender at their nominal value for any amount not exceeding five dollars in any one payment."

It was this legislation of 1873 and 1874, in its relation to subsequent events, which led to the charge that the silver dollar had been surreptitiously demonetized and that this action by Congress constituted the "Crime of 1873." The act of 1873 was passed, however, after a report made to Congress by the Secretary of the Treasury as early as April 25, 1870, after being reprinted as many as thirteen times in the course of its consideration, and after special attention had been called in several reports to the fact that the silver dollar was discontinued and that it was the purpose to continue and confirm the gold standard.* It was proposed in the original bill sent to a committee by Comptroller Knox, that there should be a silver dollar of 384 grains standard silver, instead of the standard coin of 412½ grains, but that the new dollar should be coined by the Government and circulate as a token coin of limited legal-tender power. This provision, however, was not retained in the final draft of the act.

Resumption of the Coinage of the Silver Dollar.

It was after the fall in the gold value of silver had changed seriously the relations between the two metals that agitation began for the remonetization of the standard silver dollar of 412½ grains at the ratio of 16 to 1 which had been fixed by the act of 1834, and for the free coinage of this dollar on private account with full legal tender power. It was then that the advocates of this policy expressed surprise that the silver dollar had been discontinned by the act of 1873, and that the more hot-headed among them attributed this action

*It does not fall within the scope of this work to analyze further the evidence on this subject; it is set forth by Prof. Laughlin, "Bimetallism in the United States," ch. VII, and by Mr. Watson, "History of American Coinage," ch. VIII. Senator Sherman declares that "There never was a bill proposed in the Congress of the United States which was so publicly and openly presented and agitated."—"Recollections of Forty Years," I, p. 467.

to conspiracy on the part of the advocates of the gold standard. It was emphatically declared by the gold men that the free coinage of silver under existing conditions would drive gold from circulation, injure the public credit, and result in a dishonest readjustment of debts which had been incurred under the gold standard. Notwithstanding these protestations, the economic conditions of the country and the scarcity of money were such that the House of Representatives, in the autumn of 1877, passed a bill reported by Representative Bland of Missouri, for opening the mints to the free coinage of the silver dollar. This bill was amended in the Senate so that the privilege of free coinage on private account was eliminated, but the Secretary of the Treasury was authorized and directed to buy not more than four million ounces and not less than two million ounces of silver bullion per month, and to coin such bullion into standard silver dollars of 412½ grains. This measure was known as the Bland-Allison Act, because Senator Allison was the author of the modifications made in the original Bland Act with the purpose of preventing free coinage. In spite of the veto of President Hayes, the bill was passed by the two-thirds vote in each House necessary to override a veto and became a law February 28, 1878.

Results of the Bland-Allison and Sherman Laws.

The act of 1878 did not have the expected effect of raising the price of silver bullion or seriously staying its fall. A new agitation for the free coinage of silver, which came to a head in the fifty-first Congress, resulted in the passage (July 14, 1890,) of the so-called "Sherman Law." Senator Sherman was responsible for this law in the same sense as Senator Allison for the act of 1878—that he presented it as a substitute for a bill for the free coinage of silver.* The act followed in part the recommendations of Secretary Windom, in his annual report for 1889, that silver bullion should be purchased monthly by the Treasury and should be paid for in notes issued by the Government. The House of Representatives passed a bill conforming in some degree to the recommendations of the Secretary, but providing that the proposed notes should be redeemable in coin instead of silver bullion.† The Senate substituted a bill for the free coinage of silver. In Conference Committee a modified bill was adopted requiring the Treasury to purchase four and a half million ounces of silver per month and to issue Treasury notes, which the Secretary of the Treasury was directed to redeem "in gold or silver coin at his discretion."

The cumulative effect of the coinage under the Bland-Allison and the Sherman acts soon proved disastrous. It became evident that the circulation was surcharged with silver to an extent beyond the capacity of trade to absorb

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* Senator Sherman afterwards declared: "The silence of the President on the matter gave rise to an apprehension that if a free coinage bill should pass both Houses he would not feel at liberty to veto it. Some action had to be taken to prevent a return to free silver coinage, and the measure evolved was the best obtainable. I voted for it, but the day it became a law I was ready to repeal it, if repeal could be had without substituting in its place absolute free coinage."—"Recollections of Forty Years," II, p. 1070.

† The essential recommendation of Secretary Windom on this subject was to "issue Treasury notes against deposits of silver bullion at the market price of silver when deposited, payable on demand in such quantities of silver bullion as would equal in value at the date of presentation the number of dollars expressed on the face of the notes at the market price of ilver, or in gold, at the option of the Government; or in silver dollars at the option of the holders."—"Finance Report, 1889," p. lxxiv.

it, and the influence of Gresham's law began to be clearly manifest. The fact that the volume of money was excessive tended to drive the surplus abroad, and the only money which would be accepted abroad was gold. Hence the constant tendency of the excess of silver issues above the needs of trade was to deteriorate the average quality of the currency by increasing the ratio of the silver, all of which remained at home, to the gold, much of which went abroad. Gold exports began in large volume the month the Sherman law was approved. The fiscal year ending June 30, 1891, witnessed net exports of gold from the United States to the amount of $68,130,087; 1892, $495,873; and 1893, $87,506,463. The small net exports of 1892 were due to the unusual movement of American crops, which brought a considerable current of gold into the country to offset that which was lost under the pressure of the Sherman law. There was a remarkable coincidence between the issues of Treasury notes under this law, the net exports of gold, and the reduction of the gold holdings of the Treasury. The Treasury notes issued from the date of the passage of the law up to June 30, 1893, were $147,190,-227; net exports of gold for the three years ending June 30, 1893, were $156,-132,423; and the net reduction of the gold in the Treasury was $133,156,991.

While the United States thus appeared in the markets of the world, by the laws of 1878 and 1890, as greater purchasers of silver in a single year than the entire coinage of silver in the country during any previous period of a generation, or the entire imports of silver into France in any year prior to 1873, these laws failed to restore the parity of silver with gold at the ratio of 16 to 1, and still less at the European ratio of 15½ to 1. The purchases of silver under the act of 1878 were 291,272,018 ounces, representing a cost of $308,279,260. This represented an average price per fine ounce of silver of $1.0583 and gave an average bullion value to the silver dollars of 81.85 cents.

The Sherman law produced temporarily an influence on the price of silver. The average monthly price at New York in January, 1890, was $0.9751; the average price in June was $1.0575, which rose in July to $1.08942; in August to $1.16995; and in September to $1.1656.* The effect of this enhancement of the price was to draw silver from every quarter of the world to the United States. The silver pesos of Mexico, the worn Spanish and local coins of South America, and the rupees of India flowed to New York, where they were melted into bars and offered to the Treasury as bullion. This appearance of old hoards inevitably produced a reaction in the price of silver. The average price in October, 1890, dropped to $1.10315. From that time onward, with trifling fluctuations, the course of prices was steadily downward, until the average London price was only $0.988 per ounce for the calendar year 1891 and $0.87145 for 1892. Then came the decision of the British Government to close the mints of British India to the free coinage of silver, and a panic in the United States resulting in part from the revelation which this incident afforded of the weakness of silver as a basis of circulation. The provision of the act of 1890 for the monthly purchase of silver bullion was repealed by the

* The highest price reached was $1.21 on September 3. Mr. Noyes accounts for a part of the rise by declaring that "The speculators promptly put their machinery in order, and by way of affording every possible facility to a speculative craze, the New York Stock Exchange arranged for the deposit of silver bullion and the issue, against such deposits, of negotiable certificates which could be bought, sold and delivered on the Exchange like any other security."—"Thirty Years of American Finance," p. 153.

act of November 1, 1893, passed at a special session of Congress called by President Cleveland for the purpose.

The total purchases of silver under the act of 1890 were 168,674,682.53 fine ounces, representing a cost of $155,931,002.25. The last figure represents the amount of the issue of Treasury notes in payment for the bullion purchased. The average price paid per fine ounce for the entire amount, in spite of the high prices of the autumn of 1890, was only 92.44 cents, representing an average bullion value for the silver dollars of 71½ cents.

The operation of these two acts of Congress was a disappointment in every respect to the advocates of bimetallism. They contended, by way of explanation, that these laws were less influential upon the price of silver than would have been the opening of the mints to the free coinage of the metal. While this contention may have had some force, it was evident that the United States were incapable of raising silver under any circumstances to a parity with gold at a ratio of 16 to 1, since purchases of silver larger than the aggregate production of the world in any year prior to 1890 had done little more than afford a temporary parachute to break the accelerating fall in the value of the metal.

Abandonment of the Bimetallic System by France and the United States.

France and the United States thus afford in their monetary history the nearest approach to the successful operation of the bimetallic system. The fact that the system broke down in both countries and had to be abandoned, in order to avoid the loss of gold and the prevalence of the single silver standard, seems to demonstrate historically that it is not in the power of a single nation to give rigidity of relationship by its laws to money of two different metals when it is optional with the owner of bullion of either metal to have it converted into legal tender money. The same experiment on a smaller scale in other countries has been equally disappointing. Even before the theory of bimetallism was conceived of as a definite economic policy, the attempt to float coins of two metals with full legal-tender power had been defeated in a manner often mysterious to the public authorities by the instinctive promptings of self-interest among individuals. Thus, Sir Thomas Mun declares* regarding the English legislation of Elizabeth:

> "We have seen by experience that the late raising of our Gold ten in the hundred, did bring in great store thereof, more than we were accustomed to have in the Kingdom, the which as I cannot deny, so do I likewise affirm, that this Gold carried away all or the most part of our Silver, (which was not over-worn or too light) as we may easily perceive by the present use of our Moneys in their respective qualities: and the reason of this change is, because our Silver was not raised in proportion with our Gold, which still giveth advantage to the Merchant to bring in the Kingdom's yearly gain by trade in Gold rather than in Silver."

Governments themselves in those early days acted from the same motives, in preferring the cheaper to the dearer metal, which acted upon the minds of the merchants and money changers. Mints open to the public are a comparatively modern phase of Government coinage.† As Prof. Thorold Rogers

* "England's Treasure by Forraign Trade," p. 42.

† The English free coinage act was passed in 1666. The text is given in the Report of the International Monetary Conference of 1878, Sen. Exec. Doc. 58, Forty-fifth Cong., 3d Session, p. 809.

declares, the English mint was looked upon as a department of the Exchequer. It received money in payment of taxes and dues and in coining what it needed for the expenses of the Government, "it coined, we cannot doubt, that metal which it could procure at the cheapest rate, in preference to that which cost more."* Fourteen times as much gold was coined as silver from 1701 to 1724, by reason of the overvaluation of gold by the English coinage ratio. Such silver as remained in circulation consisted of the worn pieces which lacked the value as bullion belonging to the pieces of full weight. Nowhere did the two metals circulate long side by side where both were freely coined. In many cases restriction of the coinage of one metal or the other changed the relations which they might have had as bullion under the policy of free coinage, but wherever the actual bullion value of a coinage was above its exchange value, it tended to disappear from circulation under the manipulation of the money changers almost as quickly as under modern conditions of organized markets and telegraphic and cable transfers. Bimetallism, continuously and successively operative, is not to be found in economic history, ancient, mediæval or modern. It will remain to discuss in another article whether it would be possible by the concurrent agreement of many nations.

CHARLES A. CONANT.

* "The Industrial and Commercial History of England," p. 325.

NEW MEXICAN BANK.—New York and other capitalists are reported to be organizing a Mexican banking company which will have control practically of the finances of that country. In addition, there are to be a number of branch banks in the United States. The Mexican bank has been named the Pan-American Bank and Trust Company.

The capital is $15,000,000. The concessions received from the Mexican Government permit the issuing of bonds to the extent of twenty times the amount of this capital, making a possible working capital of $300,000,000.

GOLD STANDARD IN PERU.—The State Department has been notified by United States Minister Dudley that Peru has successfully put in operation the law passed two years ago providing for the adoption of the gold standard on March 1 of this year. The unit is a Peruvian pound, identical in weight and fineness with the British pound. It is to be kept at a parity with ten silver soles. The country is said to be in splendid financial and industrial condition.

BRANCH BANKING.—Although branch banking is not permitted under the National Banking Law, a number of the States allow branches of State institutions, and there are also in the country a number of branches of foreign banks. In the absence of State prohibition of branches of foreign banks, there does not seem to be any obstacle to the formation of a great central bank in a foreign country, like Canada or Mexico, for instance, which could establish branches all over the United States. It is probable, however, that if the branches of foreign banks should ever become sufficiently numerous to compete seriously with existing banks, State or National, they will encounter legislative hostility. Heretofore, the branches of foreign banks have been too few to attract much attention, and as a rule, they have engaged chiefly in dealing in foreign exchange instead of doing a discount and deposit business.

PROVIDING A MARKET FOR UNDIGESTED SECURITIES.

Although the prospects of legislation for the reform or modification of the bank currency at the next session of Congress do not appear to be very bright, it looks now as if a great effort would be made to secure authority for the use of State, municipal and railroad bonds, as an additional basis of security. It seems impossible as yet to bring about that state of public opinion necessary to successful legislation, which will abandon the principle of bonded security of some kind.

While there may be a wise conservatism in an attitude averse to the abandonment of the security principle in bank circulation to install what is known as asset currency, yet it would be unfortunate if this attachment to the security principle be used to exploit all kinds of State, municipal and railway bonds. The present National bank note owes its one acknowledged excellence, viz., security, to the fact that United States bonds only have been used as the basis of the issues. The banks receive their notes from the United States Government and they place in the hands of the Government bonds representing the indebtedness of that Government. In return the Government engages to pay the bank notes if the bank fails to do so. For this guarantee the Government has its own debt. If a bank fails its notes are presented for payment at the Treasury of the United States. The Treasury reimburses itself for the payment by selling the bonds. But even if the bonds were unsalable the Government could reimburse itself equitably by cancelling the bonds.

When the United States Government grants its guarantee for the payment of bank notes, and relies for security on State, municipal and railway bonds, the case will be very different. Even if these securities should be looked upon by the general public as equal to United States bonds, although this is highly improbable, yet there would be several reasons why the Government might be in danger of loss if securities other than those representing its own indebtedness were accepted. There is, first, a more universal knowledge about the bond issues of the United States; they cannot be increased or diminished without the widest possible publicity. On the other hand, State, municipal and railway bonds, placed together in a general class, might be increased under circumstances that might not insure public knowledge. Congress would be very unlikely to authorize issues of bonds simply that they might be used as a basis of bank-note circulation. But it is to be feared that if the principle of using securities other than national as the basis of National bank-note issues be adopted, the issue of such securities would become liable to abuses which would never occur with United States bonds.

If this new principle be adopted the banks will naturally select the cheapest securities they can be sure will be accepted by the Treasury. No doubt at first only the better securities will be selected, but by degrees the Treasury authorities will be brought under a political pressure which will surely if not swiftly deteriorate the security. United States bonds are United States bonds, and there was no way by which any advantage could be secured in their deposit. They were an indebtedness of the United States, and even if their market value had depreciated the Government was still secure, as in paying the bank notes guaranteed, the Government cancelled its own debt. With State, municipal and railway bonds, it would be altogether different. Suppose the market value of bonds of this class should be practically wiped out, the Government would have no way to reimburse itself for payment of guaranteed notes. But it may be said that the Government will not guarantee notes based on State, municipal and railway bonds as it guarantees notes based on United States bonds. If it does not a change in the system will be effected almost as radical as if a change were made from a circulation secured by bonds to an asset currency. Under the present system the public looks directly to the Government, which promises to pay the bank notes, and further says, "I have secured myself by taking my own bonds, of which the value to me is always the same as announced on their face." If State, municipal and railway bonds are accepted as security for bank notes, and the Government does not assume absolute responsibility for the payment of the notes, its relations with the general public taking the notes would be entirely different. The Government could under such circumstances only say that as trustee it would sell the securities for what they might bring and guarantee that the proceeds were applied to the payment of the bank notes, to the greatest extent possible. It would probably be unconstitutional for the United States Government to guarantee a payment for which it was not absolutely secured.

Another consideration pointing to the insecurity of State, municipal and railway bonds is the great diversity of their character. It is sought to overcome this objection by requiring in the bonds accepted by the Treasury a conformity to certain conditions. In this way a sort of artificial unity of character is sought to be established. But where there is diversity in the character of securities there will be great differences in price. The bonds of each State are issued on the credit of that State, and there will always be variations in the credit of forty-five States. The municipalities of the country are almost without number, and the railways are almost as numerous. In all these municipalities and corporations there is ample scope for the manufacture and sale of securities for circulation purposes that will conform to the letter of legal requirement, and yet not warrant public confidence. The banks will buy the cheapest securities they can obtain, so long as they are acceptable under the Treasury requirements.

It is no new thing in the financial history of the country for the promoters of enterprises and those who have loaded up with securities which do not as yet command public confidence, to appeal to the Government to aid them. When Nicholas Biddle found the Bank of the United States swamped by the securities taken for loans and debts, he appealed to the Government to invest its surplus in these securities, and attempted to show what a revival of business would follow if the Government would only carry the securities which the public stomach was too feeble to digest.

The persistence with which this plan for permitting securities other than United States bonds to be accepted as a basis of National bank notes is urged, seems to suggest a similar desire at the present day to have the Government boom the prosperity of the country by affording a market for undigested securities. The modern plan is as much in advance of the crude suggestions of

Biddle as the electric car is superior to the omnibus. It is more plausible, and takes advantage of a strong public sentiment for a bank-note circulation secured by bonds and averse to the alternative of an asset currency. The suggestion is like that of the storekeeper who, while he is out of the exact article required, has something just as good. The public recognizes that the country is out of the United States bonds necessary as the basis of bank notes. It looks with suspicion on a bank note based on assets. Then come the advocates of State, municipal and railway bonds. The public is likely to be deceived and think these bonds are just as goods as United States bonds, when they are not. The holders of the so-called undigested securities, if they are not directly behind this proposal, have every inducement of private interest to look favorably upon it. The State, municipal and railway securities once absorbed by the banks, the general public will have to look for other investments, and thus a market will be made for the securities now oppressing the markets with their lack of buoyancy.

Of course, if the use of bonds other than United States bonds was intrinsically a sound proposition, there could be no objection to it, because its influence would be favorable to other securities. But it is in reality a plan fraught with greater dangers than any asset currency plan yet propounded. A plan that affects to give absolute security and does not in reality do so is more dangerous than a plan like that for asset currency, of which certain risks are recognized and provision made to meet them. If banks as institutions are primarily intended to uphold the credit of investment securities, then circulation on bonded security ought within limits to be encouraged. But if the chief function of banks is to effect exchanges, then circulation based on other principles is better calculated for the purpose.

To continue a system of secured circulation by the use of State, municipal and railway bonds, will impair the usefulness of the banks of the country to the business public for many years to come.

ONE OF THE BEST.—H. A. McKenzie, Cashier of the Security State Bank, St. Cloud, Minn., writes under date of June 8: "I have not received my May number of THE BANKERS' MAGAZINE, and wish you would look it up, as I cannot possibly get along without it. It is one of the best publications for bankers that I have ever seen."

GROWTH OF INTERNATIONAL BANKING.—As was expected, the extension of American banking enterprise is following the territorial expansion of the country. Several large banking corporations have been organized already, the latest to be announced being the Pan-American Bank and Trust Co., an Ohio corporation, with a capital of $15,000,000. According to newspaper reports, it will absorb the business of a large Mexican bank.

It has been repeatedly urged that an international bank should be chartered by Congress, as National banks are not permitted to have branches. Doubtless such an institution would have some prestige; but it seems that the institutions formed under State laws are capable of meeting all the requirements of international banking without a grant of a monopoly charter by Congress. Necessarily, such banks must be strong and of large resources to compete successfully with existing institutions.

That our commerce with other countries will be greatly benefited by the introduction of American banking facilities in the principal trading countries of the world seems to be admitted by those who have carefully studied the subject. Banking in the Orient, especially, has generally yielded substantial profits. Although the returns may decline somewhat with the increase in competition, the field must remain an inviting one for some time to come.

GOLD-RESERVE NATIONAL BANK NOTES.

[Address of Hon. WM. BARRET RIDGELY, Comptroller of the Currency, delivered before the Georgia Bankers' Convention at Atlanta, Ga., Wednesday, June 17, 1903.]

For more than forty years we have had in operation without essential or radical changes a national system of banks with the power of issuing circulating notes. The system has well answered all expectations and accomplished the purpose for which it was designed. The notes issued have in all respects save one been most admirable. No holder of a National bank note has ever lost a dollar except by its accidental loss or destruction, and they have been as free from forgeries and counterfeits as is possible with any issue of paper currency. It was a decided advance and improvement over all previous bank-note currency to provide that the National bank notes should be printed and furnished by the Federal Government, and that they should all thus be made uniform in design, quality and workmanship, and issued under the same laws and regulations. Our people have become so accustomed to these notes, uniform both in appearance and in value and so perfectly reliable, that they will refuse to consider any change which will in any way impair them in these respects.

There has, however, been one vital and serious defect in the system since its very beginning, and that is the entire lack of any elasticity in the volume of the circulation. This was predicted when the act was being considered and debated, and the prediction was fulfilled soon after the establishment of the national system. It is an unavoidable defect in any system of currency entirely secured by bonds. Such a system cannot be made elastic or in any way responsive in its volume to the factors and conditions which should determine such volume. Its changes are necessarily too slow and complicated by too many other considerations, such as the price of bonds, which may have no relation whatever to the supply of and demand for circulating notes. The advantages of basing these notes upon United States bonds at the time of the passage of the bank act were so great that it probably was the part of wisdom to waive the question of elasticity for the sake of the greater advantage. At the present time, however, with the experience of forty years to guide us, and the necessity of providing a market for bonds almost removed, it is certainly wise to try to make such changes as will introduce as much proper elasticity as is possible, if it can be done without in any way impairing the good qualities of the notes.

There are several special and very important reasons why such elasticity is very necessary to our currency system. There is no other country where there is such a great variation in the amount of currency needed for current cash transactions, owing to the vast extent of our territory, our varied interests and enormous business, and the great value of crops and products which have to be moved at certain seasons, calling for very large and varying amounts of cash. There is no other way so good; in fact, there is no other good way to provide this needed elasticity but by means of bank notes if they can be made quickly available when and where needed, and as quickly redeemed and retired when the work is done and the demand for them ceases.

In our system all the elasticity must be supplied by the bank notes. There is and can be no periodical variation in the amount of coin and coin certificates in circulation which can in any way respond to variations in demand. The volume of our Government legal-tender notes is absolutely fixed by statute and cannot be varied to meet changing conditions. Since all the elasticity in our supply of currency must come from bank notes, it is therefore of vital importance that they be given this quality in the highest degree possible consistent with safety. This should be done with the greatest possible care, in order that the essential qualities of safety and uniformity in value which our bank notes have always had in so marked a degree shall not be lost or impaired, but if this currency can be made more elastic without danger of losing these qualities it should be done at once.

In any plans for making this exchange it is necessary to utilize the present bond-secured currency. We should not, if we could, attempt now to radically change or do away with the present notes. The most conservative and practical suggestion seems to be to make no change in the present bank circulation, but to allow the banks to issue in addition to the present notes a certain percentage of notes uncovered by any bond deposit, but against which the banks should be required to hold in gold or its equivalent the same reserves as against deposits, and at the same time to so add to the laws and regulations in regard to redemption as to provide very ample requirements and means for redemption and retirement. This redemption machinery can and should be made so complete and effective as to lead to constant and frequent redemption of these notes. It is also part of this plan to provide a guarantee fund for the payment of all these uncovered gold-reserve notes. Each bank will be required to pay into this fund five per cent. of its uncovered notes before they are issued, and this fund is to be maintained by a tax on this circulation. The proportion of uncovered gold-reserve notes proposed varies from twenty-five to fifty per cent. Fifty per cent. could be permitted with safety, but twenty-five is enough to supply a considerable element of elasticity, and it may be well to begin with the smaller amount.

Unquestioned Safety of the Proposed Notes.

It has been frequently shown, from the figures based on the experience of forty years, that a comparatively small tax will produce a guarantee fund which will make every bank note absolutely safe in the hands of the holder. No one need ever know the name of the bank issuing a note or whether it is solvent or insolvent. He may be sure it will be redeemed for its full face value in gold or its equivalent. These figures have been published so often it hardly seems worth while to repeat them, but there have been so many objections, based on the possibility of impairing the safety of the notes, that I give some of them again. The notes of all National banks which have ever failed amount to about twenty million dollars, while the banks have paid in taxes on circulation over ninety million dollars. If there had been no bond security and no assets in the banks, these taxes would have paid about four and one-half times the amount of all the notes of these insolvent banks. For the whole period from 1863 to 1901, inclusive, a tax of twenty-two hundredths of one per cent. (0.22 per cent.) on the outstanding circulation of all the banks would have paid off the notes of all the insolvent banks if there had been no bond security and no assets in the banks which failed.

If, as the present law provides, the notes were a first lien on all the assets, a tax of eight-one-thousandths (0.008), or one one hundred and twenty-fifth of one per cent., would have paid all the notes which could not have been paid out of the assets. The five per cent. guarantee fund which it is proposed to provide before any uncovered notes are issued would on this basis pay all the notes above the value of the assets of the insolvent banks for six hundred and twenty-five years if the proportion of failures remained the same. But, it is argued, conditions may vary, and these figures are based on experience with entirely different bank notes. It is not conceivable that conditions can so change that these most extraordinary margins of safety will not be ample. The figures are so conclusive that the question of the safety of the notes in the hands of the public may be taken as established. The smallest tax which is proposed for the guarantee fund would be very ample to secure perfect safety. This tax can be so small that any bank can afford to pay it without raising the question as to whether it is paying to guarantee the circulation of a weaker bank or not. It need make no difference whether the tax is turned into the Treasury of the United States as at present or used to guarantee the redemption of the notes of other banks.

INFLATION TO BE PREVENTED.

But the argument most frequently seen in the press and heard in conversation against uncovered gold-reserve notes is that their issue will lead to a great inflation of the currency. This is a most serious objection; and, if it is true that it would lead to inflation, it is such a fatal objection that the plans should at once be abandoned forever. After going through all the dangers and trials of the greenback and silver craze, and having firmly established our financial system on the gold standard, it would be the height of criminal folly to introduce any change in our currency laws which would lead to a paper-currency inflation. If we consider carefully, however, the provisions under which the proposed uncovered notes are to be issued, and, above all, if we bear in mind that these notes are not to be counted as bank reserves; that the issuing banks are to be compelled to carry an ample reserve in gold or its equivalent against them, and, further, that provision is made for such constant and frequent redemption that the notes cannot stay out any longer than they are required for current cash transactions, we will be forced to the conclusion that there is no danger of undue inflation. On the contrary, this change in our currency laws will introduce more factors which lead to contraction than to expansion. Both are necessary in any good currency, and if fact, if there is any difference, contraction is more necessary than expansion, or at least should be made the easier of the two. Conditions should be such that when there is no strain there should be a gradual contraction and just enough currency be left in circulation to furnish current cash. Then when the demand increases for any reason, expansion will quickly and easily follow. The trouble with our present bank notes is that both processes are too slow and difficult, the contraction being actually limited by statute to $3,000,000 per month.

In considering these questions there are a few fundamental principles which should be clearly kept in mind. They are not new—few, if any, good financial ideas are—novelty being one of the least desirable qualities in currency plans or laws. We are apt to lose sight of them, however, or become confused in their application.

There are two general uses for money or currency in our modern business, which is so largely based on credits and in which comparatively few transactions are carried out by the actual use of money:

The first is for use as bank reserves against deposits or circulating notes.

The second is for the daily current cash transactions and the payment of balances.

BANK NOTES NOT A PROPER RESERVE.

Bank notes should never be used for reserves, their true use being for current cash business only. Bank reserves should be gold, or some paper certificates which can be quickly converted into gold. As long as the greenbacks are in circulation and the United States carries a large gold reserve for their redemption, they may be considered as practically gold certificates and used for reserves. This is not a good arrangement, but as long as we have these legal-tender Government notes in circulation as part of our system, the banks should be allowed to use them for reserve. We may also have to continue to use the silver dollars and the silver certificates as bank reserves. Through the mistakes of our silver legislation, we have this silver on our hands, and the Government will for many years have to bear the burden of it. Having once shouldered it and provided for it, we must make the best of it for the present. It will make the silver much better for reserves if Congress, as it should, makes it specifically redeemable in gold.

The gold coin and certificates and the clearing-house certificates for gold deposited are ideal bank reserves. As soon as it can be done, the greenbacks should be redeemed and retired, the silver also disposed of, and nothing but gold and gold certificates used as bank reserves. When this is done, we shall be solidly and firmly on a real gold standard basis, and our financial system be such as we should have to take our proper place as the leading commercial nation of the world.

Bank notes are not money at all, but mere promises to pay money, which are used for currency. They should never, under any circumstances, be counted as reserves for either National or State banks. It is surprising how often the suggestion is made to permit this. Very recently an officer of one of the largest banks in New York told me he thought the three-million-dollar limit on retirement should be repealed, and the banks authorized to count notes of other banks as reserve. He gave the usual reason that the bank notes are much better than the greenbacks, as the bank's credit adds everything to the Government bond security. There could hardly be a greater mistake than to ever use bank notes as reserve. Not that they are not good and safe enough, but that it removes all inducement for any one to send a bank note home for redemption, and puts an end to all possibility of making our currency elastic. Instead of decreasing the inducements for redemption, they should be increased in every reasonable way.

The only proper use of bank notes is for the current cash transactions necessary in the business of the community. Bank notes are the best possible form of currency for this use if made properly elastic and responsive to the demand. The composite result of each bank supplying to its own customers what currency they need, and these customers presenting it for redemp tion when not needed, is the best way to regulate the amount of currency which should be in circulation. It is infinitely better than any regulation by statute or by any officer of the Government. Such a currency would be more efficient and more economical. It would save expensive transfers of currency from distant parts of the country. It would lessen the liability of disturbance in all our financial affairs and would be a source of strength in case of threatened or actual trouble. It would be better than an emergency circulation; it would prevent many emergencies and be a great help in meeting any which might arise. It would lessen the danger of both expansion and contraction and prevent inflation of the currency. A currency not available for reserves and protected by gold reserves and ample facilities for redemption would not be made the basis for undue inflation of credits or used for speculation. It would only be used for those legitimate enterprises which have a proper basis of credit, and only to furnish the cash as long as it was needed for cash transactions.

We cannot by legislation increase the supply of money which should properly be used for bank reserves. The addition to our currency in circulation of such an amount of uncovered gold-reserve bank-note currency as the banks could keep out would add to the available reserves part of the reserve money now outside the banks for use in current cash transactions. But a large part of this would have to be used as reserve against the gold-reserve notes, so that it would not add such an amount to our bank reserves as to lead to undue inflation. The banks can just as well and safely be trusted to issue such gold-reserve currency as they can be trusted with deposits to be loaned to their customers. They will only pay it out for value, and will, in self-protection, be more careful about loaning it than they now are, because they must provide reserves and must always count upon its being sent back for redemption when no longer needed.

Owing largely to the kind of paper which we have had in circulation for forty years, the popular idea of paper currency has become perverted. The Government has the power to issue and to keep in circulation a large amount of currency. It can be issued by paying it out for the Government expenses. As it comes back it can be paid out again, and when revenues exceed expenses it can be deposited in banks, and thus kept in circulation. The bulk of our paper currency has been for so many years Government issues thus kept in circulation that it has come to be assumed that if any given amount of currency is authorized it will at once be issued and maintained in circulation. This, however, is not true of bank note circulation not available as reserves and for which prompt and constant redemption is assured. A bank has no such means of putting its notes in circulation as the Government. Its expenses are comparatively very small, and it can only pay out notes in exchange for value of some kind. If paid out in exchange for the note of a customer or in payment of a check against deposits, notes will only stay out as long as they are needed for cash transactions. As soon as the demand slackens, the notes will either come back to the issuing bank or be deposited in some other bank. This bank will, as soon as possible, send them for redemption, so as to convert them into something which can be counted as reserve. The notes must be easily and promptly redeemable in gold or its equivalent. This is the vital point of the whole plan, and is the most potent force with which to make the bank-note currency elastic and automatically elastic. When currency is wanted, the banks can and will supply it. When the supply of notes exceeds the demand, they must redeem the notes and retire them until needed again. If the same reserve is required to be maintained against the gold-reserve notes as against deposits, it will make no difference to the bank whether a borrower takes the notes of the bank away with him or leaves the proceeds of his note on deposit with the bank, except so far as the note circulation is taxed by the Government. It is the very fundamental principle of bank-note circulation that there is no difference to the bank between the bank-note credit and the deposit credit. They are both obligations of the bank and exactly the same thing so far as the bank is concerned. It is only a question of the convenience of the customer whether he leaves the credit in the shape of a deposit to be checked against or takes the notes to be used as cash. It is not so much a privilege of the bank to issue the notes as it is a privilege of the customer to do whichever suits him best.

Perfect Safety and Elasticity Attainable.

It is important that it shall be thoroughly understood that there is no difference between the deposit credit and the bank-note credit, and that bank notes which are protected by a gold reserve, quickly and easily redeemable, and not available for reserves will not stay in circulation in greater volume than is needed for current cash transactions. With these principles fixed in our minds, there will be no justifiable fear of inflation from such notes. Any bank which can be trusted with deposits can be trusted to issue the notes. The guarantee fund will make the notes of any bank safe in the hands of every holder, no matter what happens to the bank. The main safety of the whole system, however, is the gold reserve and the constant current redemption. Constant and frequent redemption cannot be too strongly insisted upon. The notes must be perfectly free to come and go, and thus freely follow supply and demand.

The notes of the Suffolk bank system were the best paper currency we ever had in America, and they were kept good by the frequent redemption, although they were purely credit notes. The system grew and was successful without Government aid, because it was based on correct principles. The worst bank notes we ever had were the "wild cat" bank notes in the West, which were bond-secured. In the States where they required reserves and provided for current redemption the bank notes were good, but where they depended on the bond security they were very bad.

The chief trouble with our present bank notes is that the supply is hardly regulated by the demand in the slightest degree. It mainly depends on the price of bonds, and the profit on circulation is so very small that the banks are compelled to figure to small fractions to see whether it pays or not. The issue of circulation instead of being the exercise of one of the most proper and useful functions of a bank, in supplying currency as needed by the people, becomes rather a speculation in bonds, and there is thus introduced into the regulation of the volume of the currency factors which have no proper relation to it whatever.

The Secretary of the Treasury has recently very wisely and properly encouraged the increase of circulation in anticipation of the demand which may be hard to supply next autumn. The outstanding notes are now for the first time over four hundred million dollars. No one can tell whether this is enough or too much, or how much more it may be by September or October next. How much better it would be if we had a system which would automatically adjust this amount, each bank supplying its own customers when and as needed. There is far more danger of inflation through these bond-secured notes becoming redundant than there would be if the banks could issue a portion of their circulation in uncovered gold-reserve notes with such proper redemption requirements that they would retire themselves when no longer needed, and could only be kept out by exertions on the part of the bank, and then only as long as they were demanded by the public for current cash transactions.

Objection is frequently heard to a great number of small banks, widely scattered, issuing uncovered notes. On thorough consideration this objection does not seem to be serious, and there are some counterbalancing advantages. The notes being furnished by the Government, there is no danger of fraudulent over-issue. The proportion of uncovered notes to the capital of the bank proposed is not large, and the regulations could be made such as to remove the temptation to organize the banks for the note issue only. The constant redemption spoken of so often would check this. Those of you who remember the time when you had notes out which you were constantly looking to have presented for redemption doubtless realize that such notes are a source of considerable anxiety and solicitude. These small banks are now allowed to take unlimited deposits. The notes will be safer than the deposits on account of the guarantee fund. If the banks are fit to take unlimited deposits, they are fit to issue a limited quantity of notes, protected by a gold reserve. One chief advantage of the issue by the great number of banks is that the gauge of the quantity needed by widely scattered banks, each in close touch with its own customers and community, would be the best possible way to determine the proper amount required. They would feel and supply the demand more quickly and collect and retire the notes more promptly, quietly, and with less disturbance when no longer needed in circulation.

Currency Legislation Not a Financial Panacea.

It is not claimed by the most enthusiastic advocates of this change in our currency that it will cure all our financial ills. We cannot prevent by any means yet known speculation and overtrading. It seems to be a fixed law in all human affairs, and especially in business, that events run in cycles, and that we are bound to have periods of too great activity, followed by corresponding periods of depression. Modern business is the result of the development of credit, and must be done largely on credit to be done at all. There never is a time when there is money enough to liquidate all outstanding credits or even any large part of them. We are thus always exposed to the possibility of some unexpected and unavoidable event leading to such a demand for liquidation that many who have debts cannot meet them, and this leads to a panic or crisis, which is followed by a period of depression in all lines of business and trade. It is idle to expect to cure or change this by legislation, but we may by proper financial and currency laws remove some of the causes of disturbance and diminish the chances of sudden demands for liquidation. We are confronted with a situation in business to-day, one of the dangers of which is the fear of a demand for currency next autumn which may check business of all kinds. Being forewarned and expecting it, every one is now making every possible preparation for it, and in this there is much reason for hope that serious trouble may be avoided. It may be said that this situation is not due to our currency laws, but to entirely different causes. This may be, and doubtless is largely true. But our currency and banking system is a great factor in the situation, and if we had a better and more elastic bank currency, it would be a source of strength now when needed. If our banks had been in the habit of supplying the varying demands for currency and an automatic elastic system were in operation which all knew would take care of the demand as it came, there would have been no necessity of extra endeavors being made by the United States Treasury to increase the circulation and less danger of inflation from such a circulation as could then be issued and expanded than from our present bond-secured circulation, which, after it has been expanded, can only be contracted at the rate of $3,000,000 per month. This is a matter of far greater importance to the people who want and need this money than it is to the banks. A man who wants currency for his business and cannot get it is much worse off than the banker who cannot furnish it. It may only mean a loss of profit to the bank when it means ruin to the customer.

The people who want this currency for handling their crops and products are entitled to the credit based on the wealth of marketable articles they have produced. They are entitled to it in the shape which is most convenient to them, whether as a bank deposit, subject to check, or current cash. It is the duty of the Government to supply them with the best facilities which can be devised, and to enact such laws as will enable the banks to serve their customers to the best possible advantage to the whole country. This question is a matter of equal, if not greater, importance to the entire business community, who find every year their calculations interfered with, if not overthrown, by the annual disturbance which is due to the demand for currency to move the crops. That we allow this to go on year after year without any attempt to cure or stop it is an absolute disgrace to us.

There is a more urgent necessity in the South for the aid of good banks in the development of your resources and business than in any other part of the country, and you have comparatively fewer banks. It is of vital importance and value to you that the banks you have be given the very best possible facilities, and that their power for good and their efficiency be increased to the highest limits, consistent with safety and sound banking. Through unfortunate circumstances, much of your development has been arrested and delayed, but it can no longer be held in bounds. The natural advantages placed here by Providence in your fine soil, splendid climate, your mines of coal and mineral wealth, your great and valuable forests, your harbors, navigable rivers, and water power, have not yet been utilized as they can and will be. The loss of the passing generation is the opportunity of the present, and in no part of the country to-day are such opportunities open for agricultural, mining, industrial, and commercial developments as in the Southern States. There has never before been a time when the South offered such great and certain rewards for capital, industry, enterprise, and ability. This splendid prospect lies open before you, and success is assured; but it will come more quickly if you have to aid you all the good facilities to which you are entitled, and among them of first importance are the best improvements in our banking and currency systems which can be made.

BANKING LAW DEPARTMENT.

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EFFECT OF CREDITING CHECK—UNSTAMPED CHECK.

Supreme Court of Pennsylvania, January 5, 1903.

BRYAN VS. FIRST NATIONAL BANK OF MCKEES ROCKS.

Where a bank gives a depositor credit for a check drawn upon it by another depositor, such credit is equivalent to a payment in cash of the amount of the check.

Where such a check has been so credited by a bank it cannot afterwards avoid the effect of the transaction by showing that the check was given for a gambling debt, or was unstamped.

Assumpsit against a bank for wrongfully charging off on its books a credit given to a depositor. At the trial the court refused defendant's offer to prove that the checks deposited by the plaintiff represented a gambling transaction. The court admitted in evidence the two checks, although it appeared that they were not stamped.

BROWN, *J.:* On November 9, 1900, John J. McCann drew to the order of Miles Bryan, and delivered to him, a check on the First National Bank of McKees Rocks, Pa., for $956. The day following he gave Bryan another check on the same bank for $1,164.75. On that day Bryan, who was also a depositor in the bank on which the checks had been drawn, went to it, and made a deposit of $2,357, composed of these two checks and other small checks and some cash.

At the time he made this deposit the books of the bank showed a credit in favor of McCann of $3,276. The two checks which he had given to Bryan, amounting to $2,120.75, after having been passed to the latter's credit as part of his deposit of $2,357, were stamped "Paid" by the bank. Part of the amount standing to the credit of McCann on the books of the bank was made up by his deposit of two checks drawn to his order by E. A. Meyers & Co. The first dated November 9, 1900, for $1,527.35, was deposited the same or the following day; and the second, given November 10, 1900, was for $861.70.

After Bryan had received credit for the two checks McCann had given him, and which had been stamped "Paid," the bank learned that the checks of E. A. Meyers & Co. to McCann, which had been deposited to his credit, were not paid by the Freehold Bank, on which they had been drawn, and they were subsequently returned, marked "No funds." Bryan made his deposit and received the credit in his pass-book on Saturday, and on the following Monday the bank charged the two McCann checks back to his account, returning them to him.

Subsequently this suit was brought to recover from the bank the amount so withdrawn by it from appellee's account, on the ground that, having given him credit for the two checks drawn by McCann on itself, with ample funds in its hands to meet them, according to its own books, when they were presented, it had made practically a cash payment to him, which it could not recall without his consent. The trial judge entertained this view, and in an adequate charge submitted to the jury, as the only question for their determination, whether the plaintiff had agreed that the money represented by the McCann checks should be charged back to his account. The jury found that he had not so agreed, and the verdict was in his favor for the amount claimed.

When the bank gave to Bryan, one of its depositors, credit on his pass-book for the two checks drawn on it by another of its depositors having on its books ample funds to pay them, such credit was equivalent to a payment to Bryan in cash of the amount of the checks. This has never been questioned with us from the time it was first decided in Levy vs. Bank of the United States, 4 Dall. 234, 1 L. Ed. 814, and 1 Bin. 27, and it cannot be pretended that, if an actual cash payment had been made to Bryan by the bank, there could be a recovery back from him, if unwilling to pay it.

The two legal positions taken by the defendant, which the court below refused to sustain, were: First, that the court ought not to have admitted in evidence the two checks drawn by McCann in favor of Bryan, because they had not been stamped as required by the act of Congress; and, secondly, that the defendant ought to have been allowed to prove that these checks "were given in a gambling transaction, commonly known as a 'bucket-shop' business, and conducted by E. A. Meyers & Co., with John J. McCann as an interested party therein, with full knowledge of the plaintiff in this case, who dealt with McCann, and through him with Meyers & Co., in carrying on that bucket-shop business contrary to public policy."

As to the first position, appellant seems to overlook the fact that this suit is not on the checks. The plaintiff could not sue on them. As a holder of checks on a bank, drawn by one having funds in it to meet them, he could not sue it. (Saylor vs. Bushong, 100 Pa. 23; First National Bank of Northumberland vs. McMichael, 106 Pa. 460; First National Bank vs. Shoemaker, 117 Pa. 94; Maginn vs. Dollar Savings Bank, 131 Pa. 362.)

The plaintiff sues to recover money which the bank had paid him by depositing it to his credit and then took from him without his consent. This is the substance of his averment in his statement. The checks were not offered in evidence as the basis of his claim, or as instruments upon which he had sued. His case was complete without them, for his pass-book showed the credit given him by the bank. Knowing that the drawer of these unstamped checks had, according to its own books, money in its hands to pay them, it received them as money from Bryan, and gave him credit for them. Instead of complaining of them now as not having been stamped, it ought to have refused to pay them when presented, for that was its duty under a penalty. But it paid them. The act of Congress was intended for no such case. It did not prohibit the offer in evidence of unstamped checks as such. These were offered not to establish and sustain the plaintiff's claim, for, as stated, it had been established by the bank's entry in his pass-book of so much cash deposited by him and withdrawn by the bank without his consent. The prohibition of the act of Congress was upon the offer of checks as evidence when relied upon as valid instruments for the purpose for which they were drawn, and was not that it could not be shown what use had been made of them by parties against whom they could not be enforced by the holders. If, as in this case, the bank saw fit to pay unstamped checks, the act of Congress never intended that it could say the checks had not been paid, and that the money represented by them was still in its hands because the checks had not been stamped.

In Chartiers & Robinson Turnpike Company vs. McNamara, 72 Pa. 278, the instrument rejected by the court because it had not been stamped in accordance with the act of Congress was one upon which the defendant relied as the real contract between him and the plaintiff; in other words, it was the instrument upon which its defense depended. Such is not the case here.

The checks given by McCann may have been drawn in settlement of marginal deals, but he did not say they should not be paid. He gave them intending that they should be paid, and the bank upon which they were drawn would now become the quickener of his unwilling conscience for the purpose of saving itself from the consequences of what may have been its own mistake in giving him credit for the checks of E. A. Meyers & Co. Even the ordinary gambler is not required to get the permission of the bank with which he keeps his account to withdraw his money to pay his gambling debts, regarded by him, as a rule, as obligations of honor. This is about the position of the appellant as we understand it, and as the court below must have understood it. Judgment affirmed.

CHECKS—FORGED INDORSEMENT—LIABILITY OF BANK CASHING SAME.

Court of Appeals of Kentucky, April 30, 1903.

MEYER vs. ROSENHEIM & CO.

Where a bank cashes a check upon a forged indorsement, and collects the money upon the check, it is liable to the holder for the amount thereof.

The action in such case is not based upon the writing, but upon the theory that the bank has converted the property of the true owner, and cannot retain the proceeds.

HOBSON, *J.:* Appellees are wholesale merchants in Louisville. They had in their employ a bookkeeper named Altman, who forged their name on the back of checks belonging to them, and then delivered the checks to appellant, who paid him the money on them or sold him jewelry therefor. Appellant then collected the checks from the banks on whom they were drawn. Appellees, on discovering the forgery and the misappropriation of their property, brought this action against appellant to recover of him the amount he had collected on these checks belonging to them under the forged indorsement of their name by Altman. The checks amounted to $227.92. On final hearing the court gave judgment in favor of the plaintiffs.

There is no plea of estoppel, and we see nothing in the evidence to warrant an estoppel if pleaded. Appellees were not required to anticipate a forgery. The bookkeeper had no authority as such to sign the firm's name, and had nothing to do with the checks. He obtained them, in fact, surreptitiously, and without the line of his authority. Appellant appears to have been equally innocent, and so the precise question is on which of two equally innocent persons the loss should fall.

In Morse on Banking, section 248, it is said: "If a negotiable instrument having a forged indorsement come to the hands of a bank and is collected by it, the proceeds are held for the rightful owners of the paper, and may be recovered by them, although the bank gave value for the paper, and has paid over the proceeds to the party depositing the instrument for collection." (See, to same effect, 3 Randolph on Commercial Paper, sections 1469, 1739, 1777.)

The case of Farmer vs. People's Bank (decided by the Supreme Court of Tennessee) 47 S. W. 234, is much like this case. There Head, who had possession of a check payable to Farmer, indorsed Farmer's name upon it without his knowledge or consent, and delivered it to the People's Bank, who collected the proceeds and permitted Head to check out the money. After this, Farmer demanded the money of the People's Bank, and, it refusing to pay him, sued to recover the amount collected by it on the check. The court held that the logic of the rule to the effect that a check payable to a certain person can only be properly paid upon his genuine indorsement, or to him, necessarily was that one coming into possession of such paper under a forged indorsement of his name could not successfully resist the title of the true owner, or, if it had been converted into money, a demand for its proceeds. A number of decisions from other States are collected in that opinion. The rule is that a forged indorsement is a nullity.

Appellant's position then in law is the same as if he had taken appellees' checks and collected the money on them without any indorsement of them at all. The collection of the checks by him was a conversion of them, and he who converts the personal property of another is always liable to the owner therefor. Appellant has collected appellees' money. He had no right in law to the money, and he cannot retain it against them. The action is not based upon the writings, but upon the idea that appellant has converted the property of another, and that he cannot retain as against the true owner the proceeds of the property. Bramblett vs. Caldwell (Ky.) 48 S. W. 982.

Judgment affirmed.

ACCOMMODATION NOTE—EXTENSION OF TIME—RELEASE OF MAKER.

Supreme Court of New York, First Department, April Term, 1903.

NATIONAL CITIZENS' BANK vs. EMMA IDA TOPLITZ.

Where a promissory note, made by the maker for the accommodation of the payee with the intent that the payee should raise money thereon, is discounted by a bank for the benefit of the payee, with knowledge of its accommodation character, the action of the bank in extending, after the maturity of the note, the time of the payment thereof, without the knowledge or consent of the accommodation maker, does not operate to discharge the accommodation maker.

In such a case the accommodation maker is primarily liable upon the note and the relation of principal and surety does not arise.

The rights of the accommodation maker are not impaired by the extension of the time of payment, as he cannot maintain an action against the payee on the note itself.

On December 26, 1899, the defendant made her promissory note by which she promised, five months after date, to pay to the order of L. Toplitz, Son & Co., $5,000 at the Chemical National Bank, New York, for value received. The note was indorsed by L. Toplitz, Son & Co. and was discounted by the Ninth National Bank, to the rights of which bank the plaintiff succeeded by consolidation of the two corporations.

PATTERSON, *J.:* This was an accommodation note, and when it was discounted by the Ninth National Bank that bank had full notice that it was an accommodation note. It was not paid at maturity, and at the request of the indorsers for whose benefit it was discounted the time of payment was extended without the knowledge of the maker. The complaint is in the usual form of an action upon a promissory note against the maker, with an admitted credit of $1,000 paid on account. The answer sets up that the note was delivered as an accommodation note for the express purpose of having the same discounted by the Ninth National Bank of the city of New York, and upon the distinct understanding that at its maturity it should be taken up and paid by the indorsers; and that subsequent to the delivery of the note the Ninth National Bank had knowledge that it was given for accommodation; and that after its maturity the Ninth National Bank, without the knowledge or consent of the defendant, entered into an agreement by which it extended the time of payment of the note, and that for a certain fixed time it would not collect or enforce payment thereof.

When the case came on for trial the facts set up in defense were admitted, and the simple question arising was whether as to the plaintiff in the action, the defendant, the maker of the note, stood in the attitude of a surety and was released from her obligation as maker of the note by reason of the extension of the time of payment given to the person for whose benefit the note was discounted, without her knowledge or consent. The trial judge held that the facts thus set up did not constitute a defense, and that the defendant was primarily liable as the maker of the note, notwithstanding the extension of the time of payment. In this ruling the trial court was right. Concededly this was an accommodation note; it was given with the intention that the indorser should raise money on it, on the liability of the maker, and the maker is liable primarily notwithstanding the knowledge of the holder that she was an accommodation maker only. (Neg. Inst. Law [Laws of 1897, chap. 612], sec. 55, as amd. by Laws of 1898, chap. 336.) This note was discounted on the credit of the maker whose very purpose was to become absolutely liable. Thus she became primarily liable. There is no relation of surety. By section 3 of the Negotiable Instruments Law, the person primarily liable is the one who by the terms of the instrument is absolutely required to pay the same, and all other persons are secondarily liable. No other question of liability can arise in this case than such as appears upon the face of the instrument.

The case is entirely unlike that of Grow vs. Garlock (97 N. Y. 81), in which it was held that, as between two debtors standing to each other in the relation of principal and surety, the fact being known to a creditor, that creditor was bound to respect such relationship, no matter how or when it arose, or whether he consented to it or not. But the present case, if not determinable by the ordinary rules relating to negotiable paper, is controlled by the third section of the Negotiable Instruments Law. The note was made by the defendant in order that the indorsers might receive money upon her credit. That is the very essence of an accommodation note. That credit was given and the indorser received the money. The maker was thus a principal debtor. She lost nothing by the extension of time to the indorser, for she had no right of action on the note itself as against the indorsers. She could not sue them on the note and she lost nothing of her claim against them, for by paying the note at any time she could have maintained her action to recover from the indorsers notwithstanding the extension of the time of payment of the note by the bank. On the note itself the maker never could recover against the indorsers. It may be evidence of an indebtedness of them to her, the circumstances under which it was made being shown; but the liability of the indorsers to the maker would arise, not on the note, but out of the original credit given for their benefit and her payment of money on their behalf.

The verdict for the plaintiff was properly directed and the judgment should be affirmed, with costs.

Van Brunt, P. J., O'Brien, Ingraham and Hatch, JJ., concurred

Judgment affirmed, with costs.

CHECK—FORM OF—WHEN VOID FOR WANT OF PAYEE.

Supreme Court of Michigan, May 12, 1903.

GORDON vs. LANSING STATE SAVINGS BANK.

Where a check is made out upon a blank form containing the words "Pay to the order of," and the drawer, instead of naming a payee, or leaving blank the space after these words, or naming an impersonal payee, runs a line through such blank space, the check is void, since it is payable neither to bearer nor a designated payee.

This case was tried by the circuit judge without a jury. At the request of the defendant, he made a finding of facts, which is as follows:

"Monday morning, December 9, 1901, at about nine o'clock, there was presented at the bank of defendant at the City of Lansing for payment the following check, made upon the printed form of check supplied by defendant to its patrons, and signed by plaintiff, viz.:

Lansing, Mich., ——— 190 ——— No. ———. Lansing State Savings Bank of Lansing.
Pay to the order of —————, Nine hundred seventy dollars ($970). Jno. R. Gordon.

The check was indorsed by Charles P. Downey, and was presented by an employee of Mr. Downey, and cash was paid at the time of presentation. The plaintiff had been a depositor at defendant's bank at periods for three or four years, and at the opening of the bank on the morning of December 9, 1901, his balance or credit upon the books of the bank was $3.40, but during the day $2,997.50 was added to plaintiff's credit. The day defendant cashed the check plaintiff was at the bank, and was informed that the check for $970 had been cashed by payment to Mr. Downey, and he then notified defendant he would not accept the check as a voucher for the money paid. December 14, 1901, plaintiff prepared and presented to defendant his check, payable to himself, for $970, being the amount he claimed to then have on deposit in the bank. Payment on this check was refused by defendant upon the ground that plaintiff had no funds in the bank."

The circuit judge rendered a judgment in favor of the plaintiff for $970 and interest. The case is brought here by writ of error.

MOORE, *J.:* Two questions are discussed by counsel: First, the effect of not dating the check; second, has the check a payee? We do not deem it necessary to discuss the first question. As to the second question, it will be noticed the drawer of the check did not name a payee therein, nor did he leave a blank space where the name of a payee might be inserted, nor did he name an impersonal payee.

In the case of McIntosh vs. Lytle, 26 Minn. 336, the court used the following language: "A check must name or indicate a payee. Checks drawn payable to an impersonal payee, as to 'Bills Payable' or order, or to a number or order, are held to be payable to bearer, on the ground that the use of the words 'or order' indicate an intention that the paper shall be negotiable; and the mention of an impersonal payee, rendering an indorsement by the payee impossible, indicates an intention that it shall be negotiable without indorsement—that is, that it shall be payable to bearer. So, when a bill or note or check is made payable to a blank or order, and actually delivered to take effect as commercial paper, the person to whom delivered may insert his name in the blank space as payee, and a *bona fide* holder may then recover on it.

These cases differ essentially from the one at bar. In the latter case the person to whom delivered is presumed, in favor of a *bona fide* holder, to have had authority to insert a name as payee. In the former case the instrument is, when it passes from the hands of the maker, complete, in just the form the parties intend. But in this case there is neither a blank space for the name of the payee, indicating authority to insert the payee's name, nor is the instrument made payable to an impersonal payee, indicating a fully completed instrument. It is claimed that the words 'on sight' are such impersonal payee. They were inserted, however, for another purpose—to fix the time of payment, and not to indicate the payee. It is clearly the case of an inadvertent failure to complete the instrument intended by the parties.

The drawer undoubtedly meant to draw a check, but, having left out the payee's name, without inserting in lieu thereof words indicating the bearer as a payee, it is as fatally defective as it would be if the drawee's name were omitted." (See, also, Rush *et al.* vs. Haggard, 68 Tex. 674; Prewitt vs. Chapman, 6 Ala. 86; Brown vs. Gilman *et al.*, 13 Mass. 160; Rich *et al.* vs. Starbuck, 51 Ind. 87; Norton, Bills and Notes [3d Ed.] p. 59, and notes; Daniel, Neg. Inst. [4th Ed.] Sec. 102).

The case differs from the one at bar in some respects, but the important part of the decision is that a payee is necessary to make a complete instrument, and, even though the maker of a check may have intended to name a payee, if he has not in fact done so the check is incomplete. In the case at bar the failure to name a payee was not an oversight, if we may judge from what Mr. Gordon did, as will appear more in detail later.

Our attention has been called to Crutchly vs. Mann, 5 Taunton, R. 529. In this case the bill of exchange was made payable to the order of ———. The court found that under the facts shown the conclusion was irresistible that the name was filled in with the consent of the drawer. The same case was previously reported in 2 Maule & Selw. 90, where, as the case then stood, it appeared the bill of exchange had been sent out, the defendant leaving a blank for the name of the payee. One of the judges was of the opinion that the defendant, by leaving the blank, undertook to be answerable for it, when filled up in the shape of a bill of exchange; another judge was of the opinion that it was as though the defendant had made the bill payable to bearer; while the third judge was of the opinion that the issuing of the bill in blank without the name of the payee was an authority to a *bona fide* holder to insert the name.

In the case of Harding vs. The State, 54 Ind. 359, a promissory note was drawn leaving a blank space for the name of the payee, and it was held:

"So the name of the payee may be left blank, and this will authorize any *bona fide* holder to insert his own name."

In the case of Brummel, *et al.* vs. Enders, *et al.*, 18 Grat. 873, promissory notes, blank as to the names of the payees, had been put in the hands of an agent to be sold for the benefit of the makers. The agent sold them, at a greater discount than the legal rate of interest, to purchasers who did not know they were sold for the benefit of the makers. At the time of the sale the name of the purchasers was inserted, either by the purchasers or by the agent, in the blank left for the payee. When the notes were sued, the makers pleaded usury. The court, following the cases already cited, held that any *bona fide* holder of a bill or note which is blank as to the name of the payee may insert his own name, and thus acquire all the rights of the payee.

It will be observed that the case at bar differs from all of these cases. As before stated, not only did Mr. Gordon fail to insert the name of a payee, or to leave a blank where the name of the payee might be inserted, but he did more. He drew a line through the blank space, making it impossible for any one else to insert therein a name, indicating very clearly that he not only declined to name a payee, but intended to make it impossible for any one else to do so. Had Mr. Gordon issued a check otherwise perfect, but with the blank space for the amount of the check unfilled, and delivered it to a third person, it would be presumed the third person was given authority to fill the blank space. But had he, instead of leaving the space a blank, filled it by drawing a line through it, would any one say the third person might then insert a sum of money in that space? If not, upon what principle may the name of a payee be inserted when the space was filled in the same way, or upon what theory may it be presumed there was an impersonal payee when the maker has not made the check payable to cash, or some other impersonal payee. In order to construe the check as a complete instrument, we must read into it an intention not only not expressed by its language, but contrary to the act of the maker. The check, as it appears to-day, is without any payee. The record is silent in relation to whom it was delivered, or whether the person who presented it at the bank, or the person whose indorsement it bears, was a *bona fide* holder.

Judgment is affirmed.

Montgomery, J., did not sit. Hooker, C. J., concurred with Moore, J.

CARPENTER, *J.* (dissenting): I regret that I cannot concur in the opinion of my Brother Moore. I agree with him that the check in question is not governed by the authorities which hold that, where a blank is left for the insertion of the name of a payee, the instrument is to be treated as payable to bearer.

I cannot agree, however, that the case of McIntosh vs. Lytle, 26 Minn. 336, is controlling. That case resembles this in many particulars. There is, however, a difference, which, in my judgment, renders the reasoning of that case inapplicable. The fact that the plaintiff in the case at bar used the ordinary blank, and drew a line through the space intended for the name of the payee, prevents our assuming, as did the court there—and its decision was based on this assumption—that it is "the case of an inadvertent failure to complete the instrument intended by the parties."

The instrument under consideration is obviously complete, in just the

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form the maker intended. In my judgment, the authorities which hold a check payable to the order of an impersonal payee to be valid and negotiable control this case.

I quote from the case of Willets vs. The Phœnix Bank, 2 Duer (N. Y.) at page 129: "One of the checks was payable to the order of 1658, the other three to the order of bills payable; and, as the required order could not in either case possibly be given, the checks, unless transferable by delivery, were payable to no one, and were void upon their face. The law is well-settled that a draft payable to the order of a fictitious person, inasmuch as a title cannot be given by an indorsement, is, in the judgment of law, payable to bearer. (Vere vs. Lewis, 3 Term R. 183; Minet vs. Gibson, Id. 481; Gibson vs. Minet, 1 H. Black, 569, affirmed in the House of Lords.) And it seems to us quite manifest that in principle these decisions embrace the present case. At any rate, the bank, by certifying the checks as good, is estopped from denying that they were valid as drafts upon the funds of the maker, and, consequently, were payable to bearer. The giving of such a certificate, if otherwise construed, would be a positive fraud."

In Mechanics' Bank vs. Straiton, 3 Abb. Dec. (N. Y.) 269, a check payable to bills payable or order was held payable to bearer, the Court saying: "By naming the persons to whose order the instrument is payable, the maker manifests his intention to limit its negotiability by imposing the condition of indorsement upon its first transfer. But no such condition is indicated by the designation of a fictitious or impersonal payee, for indorsement, under such circumstances, is manifestly impossible; and words of negotiability, when used in connection with such designations, are capable of no reasonable interpretation, except as expressive of an intention that the bill shall be negotiable without indorsement—*i. e.* in the same manner as if it had been made payable to bearer." We must decide that the check in the case at bar, like those in the cases cited, is either altogether void, or is transferable by delivery. I submit that we should follow those cases, and decide that it is transferable by delivery. To quote the language of Lord Ellenborough, in Cruchley vs. Clarance, 2 Maule & Selw. 90: "As the defendant has chosen to send the bill [check] into the world in this form, the world ought not to be deceived by his acts." This view of the case compels me to notice the fact that the check under consideration is not dated. According to the weight of authority, this omission does not invalidate it. (See Zane on Banks and Banking, sec. 152; Daniel on Negotiable Instruments, sec. 1577; Norton on Bills and Notes, p. 405, note.)

I think the judgment of the court below should be reversed, and a judgment entered in this court for the defendant.

Grant, J., concurred with Carpenter, J.

DEPOSIT OF TRUST FUNDS—WHEN CONSIDERED GENERAL AND NOT SPECIAL DEPOSITS.

Supreme Court of Iowa, May 15, 1903.

OFFICER VS. OFFICER, *et al.* (STEWART, INTERVENER).

In the absence of a statute forbidding such a course, an executor may deposit funds of the estate in a bank of good standing and reputed solvency.

In the absence of some special arrangement, such a deposit is deemed a general and not a special deposit.

This was an application in a receivership proceedings for the allowance and establishment of a claim filed by the intervener, as executor of the estate of A. Cochran, deceased, as a preferred claim. The trial court denied the application and intervener appealed.

DEEMER, *J.:* The firm of Officer & Pusey was a partnership doing a general banking business in the city of Council Bluffs. On September 17, 1900, it went into the hands of Receivers, and, on October 16 of the same year, intervener, as executor of the estate of A. Cochran, deceased, filed his claim against Officer & Pusey with the Receivers, for the sum of something more than $2,000, which he had deposited in the bank to the credit of "the estate of A. Cochran, deceased. J. J. Stewart, executor."

He alleges that he notified the bank that this was a special trust fund which should at all times be kept on hand and subject to the order of court, and that said Officer & Pusey had notice of the character of the funds. He further pleaded that the funds in the hands of the Receivers were augmented to the amount of the deposit, and that the same, or an equal amount thereof, was still in their hands, and he asked that his claim be allowed and established as a preferred one.

The facts are not in dispute. It was agreed that the claim should be treated as if brought in the name of the *cestui que* trust; that J. J. Stewart was the executor of the estate of A. Cochran, and as such deposited the money claimed by him, as stated in his application; and that such deposits were made on and after March 31, 1900, with the knowledge of the bank that they were trust funds held by Stewart. The deposits were made in good faith, and, when made, the bank was reported to be solvent and sound. When the bank passed into the hands of the Receivers there was more than $100,000 of assets, which was more than sufficient to pay all preferred claims; and from the time the deposits were made, down to the time of the appointment of the Receivers, the bank had more than $100,000 in cash. Stewart never had an order of court to make the deposits, but acted upon his own judgment and responsibility, for the purpose of preserving and securing the funds. From time to time he drew checks in his official capacity against the funds, which were duly honored and paid.

The first question of law to be determined on this state of facts is, was the deposit wrongful? If so, and the bank had notice of the character of the funds, there is no doubt that the claim should be given a preference. (Ind. Dist. vs. King, 80 Iowa, 498; Davenport Plow Co. vs. Lamp, 80 Iowa, 722; Dist. Tp. vs. Bank, 88 Iowa, 194; *In re* Knapp & Co. 101 Iowa, 488; Jones vs. Chesebrough, 105 Iowa, 303.)

An executor must exercise that degree of care and prudence with reference to funds coming into his hands that ordinarily prudent men exercise in regard to their own affairs, and, in the absence of statute preventing, they may deposit the same in banks of good standing and reputed solvency. (Barney vs. Saunders, 16 How. 535; King vs. Talbot, 40 N. Y. 76.)

Indeed, it seems to be generally held that a trustee who has deposited funds to a trust account in a reputable bank or banking house is not liable for any loss which may occur through failure of the bank. (*In re* Law's Estate [Pa.] 22 Atl. 831, 14 L. R. A. 103; Norwood vs. Harness, 98 Ind. 134; Jacobus vs. Jacobus, 37 N. J. Eq. 17; People vs. Faulkner, 107 N. Y. 488.)

Of course the deposit must be made to the trust account. If the executor or trustee makes a deposit of trust funds in his individual name, or mingles them with other funds, he is not relieved of responsibility should the funds be lost. (Williams vs. Williams, 55 Wis. 300; Allen vs. Leach [Del. Orph. Ct.] 29 Atl. 1050; Corya vs. Corya, 119 Ind. 593.) Such act is in itself a conversion of the funds. (Ivey vs. Coleman, 42 Ala. 409.)

Finding then that the executor was authorized to make a deposit of the money belonging to the estate, the next question is the nature of the deposit. Deposits are divided into general, special, and specific; and, in the absence of proof to the contrary, every deposit is presumed to be general. In case of general deposits, the money deposited is mingled with other money of the bank, and the entire amount forms a single fund, from which depositors are paid. The relation of debtor and creditor is created, and, in the event of failure of the bank, all such creditors stand on an equality. (Lowry vs. Polk County, 51 Iowa, 50; Long vs. Emsley, 57 Iowa, 11; Commonwealth Bank vs. Wister, 2 Pet. 318; *In re* Hunt [Mass.] 6 N. E. 554; Briyn vs. Bank, 9 Com. 413.)

A general deposit differs from a loan in that the money is left with the bank for safe keeping, subject to order, and payable, not in the specific money deposited, but in an equal sum. It may or may not bear interest, and, so long as the relation is simply that of debtor and creditor, no loan is created. (*In re* Law's Estate, *supra.*)

A special deposit is created where the money is left for safe keeping and return of the identical thing to the depositor. And a specific deposit exists when money or property is given to a bank for some specific and particular purpose, as a note for collection, money to pay, a particular note, or property for some specific purpose. (People vs. Bank, 96 N. Y. 33; Brahm vs. Adkins, 77 Ill. 263; Peak vs. Ellicott, 30 Kan. 156; German Bank vs. Foreman, 138 Pa. 474.)

The deposit made in this case was not a special one. The bank did not receive it upon a promise to keep the identical money and to return it to the executor. It was not specific, for the bank had the right to mix the funds with other money received by it, and obligated itself simply to honor and pay the executor's checks. It did not agree to hold the same for the parties entitled thereto, but it was at all times authorized to pay the same out on checks signed by the exector, and was not bound to see that the money received thereon went to those who were entitled to receive it. Many attempts have been made to secure priority in such cases on the theory that the deposit is specific, but they have uniformly failed. (See Fletcher vs. Sharpe, 108 Ind. 276, McLain vs. Wallace, 103 Ind. 562; Alston vs. State, 92 Ala. 124; Henry vs. Martin, 88 Wis. 367.)

We have found that the deposit in this case was authorized, and that it was general in character, and the question yet remains, may the executor or his *cestui que* trust recover the deposit as a preferred claim? The mere fact that he is a trust fund creditor does not give him this right. Equality is regarded as equity in such cases. He is simply a creditor of the bank, and has no peculiar claim or right over other creditors. (Ringo vs. Field, 6 Ark. 43; Fletcher vs. Sharpe, *supra*; Shaw vs. Bauman, 34 Ohio St. 25; Paul vs. Draper; [Mo.] 59 S. W. 77; Nat'l Bank vs. Millard, 10 Wall. 153.)

In Fletcher vs. Sharpe, *supra*, it is said: "There is no question that the fund was properly deposited. * * * When deposits are received, unless they are special, they belong to the bank as a part of its general funds, and the relation of debtor and creditor arises between the bank and the depositor. This is equally so whether the deposit is of trust money or of funds which are impressed with no trust, provided the act of the depositor is no misappropriation of the funds. If, in receiving a trust fund, a bank acted with knowledge that it was taking the fund in violation of the duty of the trustee, the rights of a *cestui que* trust might be different. * * * In this case, where no impropriety is imputed to the bank in receiving the money, it becomes a debtor of the petitioner, and its debt to them was of the same character as its debt to any other depositor, and must be paid in the same proportion. The rights of other creditors stand on a level with those of the petitioners, and are to be guarded and protected by the court with the same vigilance."

This is manifestly sound doctrine, and does not in any manner controvert the rule that a *cestui que* trust may follow trust property which has been misapplied or misdirected by a trustee into the hands of any one who is not an innocent purchaser for value. Generally speaking, equity will follow a trust fund through any number of transmutations, and preserve and protect it for the real beneficiary, so long as such can be identified and followed; and no court has gone further than our own in this respect. But where the property has rightfully been disposed of by the trustee, and title has passed from him, *cestui que* trust will not be permitted to reclaim the same. Hence the necessity for determining the rightfulness of the deposit. When it is once determined that the deposit was rightful, the case assumes the same aspect as if the *cestui que* trust had expressly authorized it. Had he done so, of course he could not follow the property into the hands of the Receivers. In virtue of the power conferred upon him by law, the executor deposited the money in the bank, and thus became the bank's creditor for the amount of the deposit. The money was properly mingled with other funds of the bank, and lost its distinctive character as trust funds. The bank became obligated to return a like amount to the executor, or to the honor his checks issued against the deposit. In other words, it became the debtor of the trustee. And, as said in Bradley vs. Chesebrough, 111 Iowa, 126, referring to Cavin vs. Gleason, 105 N. Y. 262, "that plaintiff was a trust creditor does not of itself entitle him to preference over other creditors." The executor had the right to make the deposit, and the bank had an equal right to use it in its business in the ordinary way. The fund stood on the same footing as any other general deposit. (McAfee vs. Bland [Ky.] 11 S. W. 439.)

The case is easily distinguishable from cases where the deposit is wrongful, for there the relation of debtor and creditor does not exist; at any rate, the *cestui que* trust is not bound by such a deposit. It is also very different from those cases where a bank, with notice of the trust character of a deposit, attempts to apply it on a debt due it by the trustee. In such cases, the *cestui que* trust may recover the amount so misapplied from the bank. It is doubtless true, also, that the *cestui que* trust may recover from a solvent bank the amount of a deposit by another to his account as trustee, but none of these rules are applicable here, for the reasons that the deposit was rightful, the relation of debtor and creditor was created, and the entire assets of the bank are now in the hands of trustees for an equitable and proper distribution. There is no reason, then, for preferring one creditor over another, and surely none will be preferred simply because he is what might be called a trust fund creditor.

CONSOLIDATION OF BANKS—USE OF COLLATERALS.

Supreme Court of Oklahoma, February 5, 1903.

OVERSTREET, *et al.* vs. CITIZENS' BANK.

Where a banking corporation borrows money from another bank for the purpose of paying its depositors, and hypothecates its notes and credits as collateral security for such loan, a suit in equity is not the proper proceeding by an unsecured creditor of such debtor bank to reach said collaterals in the hands of the creditor bank. The statute provides a plain, ample and adequate remedy in such cases.

A banking corporation desiring to quit business may transfer its depositors' accounts to another bank, and may borrow money from such other bank to pay its depositors, and may pledge its assets as security for the money so borrowed; and such action is not a consolidation or merger, nor does it release the first bank from liability, nor render the second liable to the other creditors of the first bank.

Where one creditor holds collateral security for payment of his claim, a release or return of a portion of the collaterals to the debtor, or permission to apply a portion of the proceeds of such collaterals to other *bona fide* debts of the debtor, is in neither case, if done in good faith, such a misuse of such collaterals as will render the holder liable to other creditors for the value of such collaterals.

(Syllabus by the court.)

This was a suit in equity by judgment creditors of a suspended banking corporation to recover judgment for the value of certain assets transferred by the suspended bank to another banking corporation.

The points decided are stated in the official syllabus given above.

BY WHAT LAW INDORSEMENT IS GOVERNED—DISCHARGE OF INDORSER BY IMPAIRING HIS REMEDY AGAINST MAKER.

Court of Appeals of New York, March 28, 1903.

AMELIA L. SPIES vs. NATIONAL CITY BANK.

In the case of every negotiable instrument there are as many separate contracts as there are indorsements, each being governed by the law of the place where made, unless it is the intention to negotiate the instrument elsewhere.

If the holder of a note so deals with the maker that the latter becomes discharged from all liability thereon, as against subsequent indorsers, then the indorsers cannot be required to pay the same.

The plaintiff's testator had procured the defendant to discount a note made by one R. M. Ong, of New Orleans, which the maker failed to pay at maturity, and which was duly protested. Afterwards the defendant brought suit against the maker in the courts of Louisiana, and obtained judgment against him. This judgment was then sold at a discount of fifty per cent. Afterwards the defendant sold certain bonds which had been deposited as collateral security with it by plaintiffs' testator, and after paying certain other debts due from him to it, applied the balance, $1,469.06, to the payment of his liability as indorser on the Ong note. The suit was brought to recover this amount.

PARKER, *C. J.:* While the note was a Louisiana contract, having been made in that State by a resident thereof, payable at a bank therein, the contract of indorsement was an independent contract governed by the law of the State where it was made and took effect, for in the case of every negotiable instrument there are as many separate contracts as there are indorsements, each being governed by the law of the place where made, unless the intention is to negotiate the instrument elsewhere. (Story on Conflict of Laws, § 314; Daniel on Negotiable Instruments, §§ 867, 868, 899; Aymar vs. Sheldon, 12 Wend. 439 ; Allen vs. Merchants' Bank, 22 Wend. 215 ; Cook vs. Litchfield, 9 N. Y. 279, 290.) The note was made payable to the order of Marcial & Co., under which name the plaintiff's testator did business in the city of New York, and it was by him duly indorsed to the defendant, at its banking house in New York, before maturity. The contract of indorsement was, therefore, a New York contract, and the defendant having presented the note for payment when and where it was made payable, and, upon the refusal to pay, having caused the same to be duly protested for non-payment and notice thereof to be given to the plaintiff, it thereupon became entitled to enforce payment, and still retains that right unless it has done, or omitted to do, some act which, under the law of this State, has destroyed that right.

While the holder of a note may enforce collection from either the maker or indorser, or both, he must take care not to impair the remedy of the indorser against the maker, for to the extent that he destroys the indorser's claim against the maker, he releases his claim against the indorser. (Shutts vs. Fingar, 100 N. Y., 539 ; Pitts vs. Congdon, 2 N. Y. 352 ; Brown vs. Williams, 4 Wend. 360.)

In Shutts' case, it is said, in the course of a very full and careful discussion of the general subject, that an indorser who pays a note "is entitled to demand its possession from the creditor with the right of subrogation to all securities and remedies possessed by him against the prior parties thereon unimpaired by any act or laches of such creditor."

In Pitts' case it is held that "he" (the holder) "cannot discharge the party primarily liable and then sue the indorser, because the latter would in this way be deprived of his remedy over."

In Brown's case the court said, "if the holder releases the principal debtor, he ought not to recover against the indorser, for, by releasing the debt, he discharged the principal from all liability upon the note to the indorser as well as himself."

The principle established by these cases is that if the holder of a note so deals with the maker that he becomes discharged from all liability thereon as against subsequent indorsers, then the indorsers cannot be compelled to pay it.

BANK'S RIGHT OF SET-OFF—NOTE MATURING AFTER DEATH OF DEPOSITOR.

Court of Appeals of Kentucky, May 22, 1903.

LITTLE'S ADMINISTRATOR vs. CITY NATIONAL BANK OF FULTON.

Where a bank holds the note of a deceased depositor, it may set off the amount of such note against the amount due to his estate from the bank on account of his deposit, even though the note does not mature until after his death.

HOBSON, *J.:* C. H. Little died a resident of Fulton county on April 1, 1900. At the time of his death he had on deposit in his own name in the Citizens' Savings Bank of Fulton, Ky., $547.68 ; and the bank held a note against him for $350, on which J. C. Bennett and William Brown were sureties, which matured on April 2, or the day after his death. The bank paid to his administrator $197.68, the balance of the deposit over and above the amount of the note, but declined to pay the remainder of the amount; insisting upon its right to offset the note against it. The administrator then filed this suit against the bank, and, the court having dismissed the action, he appeals.

The right of a bank to apply a deposit to the extinguishment of the depositor's indebtedness grows out of the doctrine that the relationship between the bank and the depositor is that of debtor and creditor. "The bank holds a lien upon the deposits in its hands to secure the repayment of the depositor's indebtedness, and may enforce that lien as the debts mature by applying the debtor's deposits upon them, thus setting the two off against each other." (3 Am. and Eng. Ency. of Law, 835.)

In Masonic Savings Bank vs. Bangs' Adm'r, 8 Ky. Law Rep. 16, this court said that the right of a bank to this lien is recognized by all the elementary books on the subject, and by an unbroken line of American decisions.

In Kentucky Flour Company's Assignee vs. Merchants' National Bank, 90 Ky. 225, an insolvent debtor, who was indebted to the bank with which he had money on deposit, made an assignment before the debt of the bank had matured. It was held that the bank, although its debt had not matured, might offset its debt against the deposit, as being between it and the assignee. The case here is much stronger in behalf of the bank, for its debt had matured before there was administration on the estate of the decedent, or any demand made of it for the deposit; and when the suit was brought it had an existing demand, which it could plead as a set-off.

In Ford's Adm'r vs. Thornton, 3 Leigh, 695, a debtor died before the note fell due. His estate proved to be insolvent. The bank at the time of his death had money of his on deposit, and it was held that the bank was entitled to apply the deposit to the payment of the note.

In Knecht vs. United States Savings Institute, 2 Mo. App. 563, a bank held a note against a depositor, who died insolvent before the note matured. The note was for more than the amount of the deposit. A balance was struck between the two demands, and the bank was allowed to prove up the remainder of its claim against the estate.

In Mathewson vs. Strafford Bank, 45 N. H. 108, on substantially the same facts, the executor sued to recover the testator's deposit; and the bank was allowed to set off its note against the testator, although it had not matured at his death, and the estate was insolvent.

So in Camden National Bank vs. Green, 45 N. J. Eq. 546, the testator having died, leaving a balance to his credit in the bank, which he willed to his wife, and she having had it transferred to her own account, the estate proving insolvent, and the note held by the bank against the testator having matured, the bank was held entitled to set off the deposit against the note; no rights of third persons having intervened. To the same effect, see 1 Morse on Banking, § 329, and cases cited (last edition). A contrary rule is laid down in Pennsylvania where the estate is insolvent, but where the estate is solvent the same rule is followed, as above indicated. (Bosler's Adm'rs vs. Exchange Bank, 4 Pa. 32.)

But this ruling is in conflict with the current of authority and the principles established in this State. With us insolvency is a well-settled ground for equitable set-off, and where a decedent owes a debt, and has a claim coming to him from the same person, the rule is that the claims will be offset, although the estate is insolvent, on the ground that only the balance is really due from one party to the other. (Newman on Pleadings, 595–598 ; Ely vs. Com. 35 Ky. 398.) The rule, also, is that if a bank, after the note matures, suffers the debtor to check out his deposit, and he then becomes insolvent, the surety in the note will be discharged. (Pursifull vs. Pineville Banking Co., 97 Ky. 154.)

Judgment affirmed.

LOST NOTE—WHEN MAKER NOT DISCHARGED BY PAYMENT—INDORSEMENT AS NOTICE.

Supreme Court of Michigan, May 29, 1903.

PAGE WOVEN WIRE FENCE CO. vs. POOL.

Where notice that a note has been lost is brought home to the maker, payment thereafter will not extinguish liability, unless the person presenting the instrument is required before payment to establish title thereto.

While the indorsement "pay to the order of any bank or banker for collection," is a circumstance tending to show want of care in making payment to some person not answering such description, it is not conclusive, for notwithstanding such indorsement the payee would have the right to demand and receive payment.

This was an action to recover of the maker of a promissory note. The defendant produced the note upon the trial and claimed that she had paid the amount thereof to a person who had presented the same for payment. The plaintiff claimed to have given the defendant notice that the note had been lost.

MONTGOMERY, *J.* (omitting part of the opinion) : It is stated in the text books as elementary law that where notice that an instrument has been lost or stolen has been brought home to the maker, payment thereafter made will not extinguish liability, unless the party presenting the instrument is required, before payment, to establish title thereto. (Daniel on Negotiable Instruments, Sec. 1461 ; Byles on Bills and Notes, Sec. 378; Parsons on Bills and Notes, p. 256. See, also, Hinckley vs. Railroad Company, 129 Mass. 52, 37 Am. Rep, 297, which is a very instructive case, and the whole subject is discussed; Bainbridge vs. City of Louisville, 83 Ky. 285, 4 Am. St. Rep. 153.) We are unable to see any good reason for denying the equity of this rule.

Where one of the two innocent parties must suffer, the law casts the burden upon him who is guilty of a want of dilligence or care. And in case of a lost instrument it is difficult to see what more the owner of the bill may do than to bring home notice to the maker of the fact of such loss, thus bringing to his knowledge that the instrument is likely to be presented by one not entitled to receive payment thereon. If, with such information, no duty of care is cast upon the maker, and nothing short of absolute *mala fides* will invalidate a payment made, the law affords little protection to the payee; and most emphatically is this so if, when knowledge of the loss is brought home to the maker, the bare possession of the note is sufficient to render recovery impossible, for such is the effect of declaring that actual *mala fides* must be shown. In the present case it is true that no notice was received by the maker of the loss of his instrument, prior to the payment, direct from the payee of the note, but she had this notice.

Notice was sent her of the fact that the note had been mailed to the bank, and that the Cashier of the bank had informed her that the note had not been received at the bank, and that it probably was lost in transit; and when the note was presented to her for payment it had the indorsement on the back, "Pay to the order of any bank or banker for collection and remittance to Page Woven Wire Fence Company."

Was this sufficient notice that the note had been lost? We think it was. The defendant had notice of every fact which, if true, showed the loss, to wit, the mailing of the note to the bank, the failure of the bank to receive it, and, furthermore, the statement of the Cashier of the bank to her that he thought the note was lost, and a request by him for payment without the production of the note.

The defendant, therefore, occupies the position of one paying a note to one not authorized to receive it, having notice of its loss, and, so far as the record discloses, without any inquiry or investigation as to the title of the holder.

It is claimed that the indorsement of the note to a bank for collection was a restrictive indorsement, and that for this reason the defendant was not justified in making payment to this alleged agent of the plaintiff. We do not accept this view of the plaintiff. While the indorsement was a circumstance showing want of care on the part of the defendant, it is by no means conclusive, for it cannot be doubted that the payee of the note, notwithstanding that it bore the indorsement in question, would have the right to demand and receive payment. The record fails to disclose what care the defendant exercised in making payment to the holder, and, upon this record, we think it was error to instruct a verdict for the defendant.

Judgment will be reversed, and a new trial ordered.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

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

BANKS AND BANKING—CHECK—LIFE INSURANCE—FRAUD OF AGENT—PAYMENT BY BANK—RIGHT OF COMPANY TO RECOVER AMOUNTS PAID.

THE LONDON LIFE INSURANCE CO. vs. THE MOLSONS BANK (5 Ontario Law Reports, p. 407).

The facts of this case sufficiently appear in the following judgment of Chief Justice Meredith.

JUDGMENT: The plaintiffs sue to recover from the defendants, who were their bankers, moneys which were paid, as the plaintiffs allege, without their authority, and improperly charged to their account, having been made upon checks drawn by the plaintiffs on the defendants, payable to various persons or their order, the indorsements of which by those persons were, as the plaintiffs allege, not genuine, but forged. The defendants resist the plaintiffs' claim on two grounds: (1) that in the circumstances under which they were issued all the checks were payable to fictitious or non-existent persons within the meaning of sub-section 3 of section 7 of the Bills of Exchange Act of 1890, and were therefore payable to bearer; (2) that if they are to be treated as payable to the order of real payees, the defendants were justified under all the circumstances in paying them and debiting them to the plaintiffs' account.

I will deal first with the second of these contentions, for if it is made out, it will be unnecessary to consider the first.

There is no doubt upon the evidence that the proceeds of all the checks came into the hands of a man named Niblock, who was the assistant superintendent of the plaintiff company, having his office at Ottawa, and were appropriated by him to his own use by means of a system of fraud and forgery on his part.

The checks were issued for the purpose of paying supposed claims of the several persons in whose favor they were drawn, under policies of insurance made by the plaintiffs, and in the belief by the plaintiffs that the persons upon whose lives the policies had been granted had died; but in fact none of them had died, and there was no real claim by any of the beneficiaries against the plaintiffs. In all of the cases, except five (those of Burns, McKendry, Coghill, Miller and Little) the applications on which the policies were issued were entirely fictitious, the names of the supposed applicants, and of the supposed signers of the documents which accompanied them, being forged. In all of the cases the signatures to the proofs of loss were also forged, as were the indorsements purporting to be those of the payees of the checks. In the five cases of the genuine applications the policies had lapsed before the dates when the lives were said to have dropped and the claims were made.

The claim papers were in all the cases forwarded by Niblock from Ottawa to the head office of the plaintiffs at London, and show on their face that they were in part at least prepared by him.

With the exception of two (each for $1,000) all the insurances were in the industrial branch, and for small sums. Niblock was appointed assistant superintendent on August 23, 1892, and the earliest of these fraudulent claims was received at the head office of the plaintiff company on the 25th of February, 1896. He had under his agreement with his employers, which is in writing, somewhat extensive powers; but nothing is said in it as to any connection he should have with the settlement and payment of claims under policies issued in respect of the insurance effected through his office. It was, however, the practice whenever a claim was sent in from his office, after it had been passed, to send him a check for the amount of it, payable to the claimant or supposed claimant, or his order. It was his duty to deliver the check to the person in whose favor it was drawn, and to obtain from him a discharge of the claim under the policy in settlement of which it was given. According to the evidence of the plaintiffs' accountant, Niblock sometimes paid a claim in money, and in such a case returned the check for it to the plaintiffs. It was the practice of the plaintiffs not to notify the claimants that the check had been sent in the case of an insurance in the industrial branch, but to do so where the insurance was not in the branch. Whether or not notices had been sent to the supposed claimants in the two cases of insurance of the latter character, was not shown, but it is probable from the testimony given at the trial that notice was not sent in those cases.

Each of the checks is indorsed with the name of the payee of it; all of them except two (McKendry's and Hale's) are also indorsed by Niblock—his name following that of the payee ; of the checks thus indorsed three have above the name of Niblock, the word "witness."

It was not shown to whom or how the moneys which were paid on the checks were paid. All of the supposed claimants lived or were represented to live at or in the vicinity of Ottawa, and the checks were all payable at any branch bank of the defendants, and were paid through their Ottawa branch.

The proper conclusion upon the testimony is, I think, that all the checks were paid by the defendants in good faith and upon the representation of Niblock, acting for the plaintiffs, that the persons to whom payment was made were the persons named in the checks as payees of them. No distinction in this respect ought to be made, as I think, between the checks upon which Niblock's name was indorsed and the two upon which it does not appear. With regard to the former, there is the representation in writing by Niblock that the name indorsed as that of the payee is the genuine signature of the payee, for that I take to be the effect of his indorsement ; and as to the latter, though there is not the same kind of representation, there was, I think, equally a representation to the same effect, for the proper inference is as to those that Niblock wrote the name of the payee, intending that the defendants should accept and act upon them as their genuine signatures.

What was done as to these two checks was the same, I think, as if Niblock in each case had gone to the defendants' bank with some one whom he represented to be the payee, and had, upon that representation, induced the officers of the bank to pay the checks as bearing the genuine indorsements of the real payees.

Assuming this view to be correct, are the plaintiffs affected by what is done by Niblock, so as to preclude them from disputing the right of the defendants to pay the checks and charge the amount paid to the plaintiffs' account? In my opinion they are. Niblock was the representative of the plaintiffs at Ottawa, having the sole conduct and supervision at that point of all the business done through his office. The checks were sent to him in order that delivery of them to the person for whom they were intended might be secured, and that proper discharges might be obtained from them of the company's liability on the policies in respect of which they were issued. The plaintiffs knew, or ought to have known, that their bankers would in all probability require the persons presenting the checks for payment to be identified as the persons named as the payees of them, and that Niblock was the most likely, or at least a likely person to be called upon to do that, and as to most of the checks they had notice that Niblock was in fact certifying to the bankers the genuineness of the indorsements. It was not shown that the practice of Niblock so certifying was exceptional in these particular cases ; and the fair inference is, I think, that he did this throughout the period of his agency which, as I have said, began in the year 1892 ; but if that inference ought not to be drawn from the testimony given at the trial, I would give leave to the defendants to show what the fact is in that regard.

It would, as it seems to me, be a startling thing, at all events to business men, if it were to be held that a banker paying the checks of his customer under circumstances such as existed in this case should be bound to suffer the loss occasioned by the fraud committed by the person whom the customer had entrusted with the powers and duties which were entrusted to Niblock.

I am not, I think, required to so decide, but am warranted in holding that the loss must fall, where, in my opinion, in justice it ought to fall—upon the plaintiffs.

Having reached this conclusion, it is unnecessary to consider the otherwise important and also very difficult question raised, as to the payees of the checks being fictitious or non-existent persons within the meaning of subsection 3 of section 7 of the Bills of Exchange Act, 1890.

The action is dismissed, with costs.

PROMISSORY NOTE—STATUTE OF LIMITATIONS—ACKNOWLEDGMENT OF DEBT—SPECIAL PROMISE TO PAY.

LANGRISH vs. WATTS (1903, One King's Bench Division p. 639).

Where, in an action commenced in 1902 upon a promissory note given by the defendant to the plaintiff in 1881, payable on demand, it was proved that the defendant had in 1901 written a letter, in which, after asserting that there had been certain payments by him on account of the note, he used expressions importing that he was willing that an ac-account should be taken between himself and the plaintiff, and that he would pay what was thereupon found to be due, and it was found on the trial that no payments had been made on account of the note.

Held, affirming the judgment of Bruce, J., that the letter afforded sufficient evidence of a new promise to take the case out of the statute of limitations.

STATEMENT OF FACTS: This was an appeal against the Judgment of Bruce, J., in an action tried by him without a jury.

The action which was commenced in April, 1902, was on a promissory note given by the defendant to the plaintiff on December 9, 1881, payable on demand. The defendant pleaded payment as to a portion of the money claimed, and also that the note was outlawed under the statute of limitations. The trial judge found that there was not sufficient evidence of any payments by the defendant on account of the note. That finding was not questioned on the appeal, and the only other question was whether the letters written by the defendant amounted to a sufficient acknowledgment of the debt, or fresh special promise to pay the amount, to take the case out of the statute of limitations.

Between June 27, 1901, and November 23, 1901, the defendant wrote several letters, and the plaintiff held that these letters were an answer to the plea that the note was outlawed inasmuch as they amounted to a special promise in writing to pay what was found due on the note.

The defendant was entitled to certain moneys out of an estate of a deceased relative. In a letter of July 10, he claimed to have made certain payments on account and proceeded: "How is it Uncle did not credit me with it, I cannot think; but if he hunts up his old bank books he will be able to trace up the amounts, and I feel sure he will be satisfied that I am correct. Just at present I cannot lay my hand upon my bank book of that date or would be more positive on the subject. At present I have no money on hand but as soon as there is another division I will send Uncle some."

It was admitted that after the date of this letter and before this action was commenced there had been another division of the moneys of the estate in which the defendant was interested.

Bruce, J., was of the opinion that the letters did not amount to an acknowledgment that the face amount of the note was due, but he held that they amounted to a conditional promise to pay what upon an account being taken might be found to be due from the defendant to the plaintiff; and that, the condition having been fulfilled, the plaintiff was entitled to recover upon that promise notwithstanding the statute of limitations.

JUDGMENT (VAUGHAN, WILLIAMS, STIRLING and MATHEW, *L. JJ.*): We entirely agree with the decision of Bruce, J., that there was not upon the correspondence in this case any acknowledgment of such a nature as to give rise in law to an implied promise by the defendant to pay the full amount of the original debt. We have been referred on that point to the case of Buckmaster vs. Russell (10 C. B. N. S. p. 745), which in my judgment was rightly decided. Two points were decided in that case: One was that there was not in that case any sufficient acknowledgment of the debt; and the other was that, where there is a fresh promise which is conditional, the plaintiff can only sue on that promise, if the condition was fulfilled, and, even where that is the case the plaintiff cannot recover anything on the fresh promise beyond that which the promise itself imports.

As regards the question of special promise, the court held that, as the debtor's offer to pay by installments, which was made subject to the creditor's approbation of it, was not accepted, and did not meet with the approbation of the creditors, the action could not be maintained on the footing of there being such a promise; and, that being so, the only other question was whether there was sufficient acknowledgment of the debt as distinguished from a fresh special promise. With regard to that question, there was not in that case any absolute denial by the defendant that the sum claimed was due, or that any sum was due. He said in his letter that he had no wish to deny any just debt, but he could not get rid of the notion that the account was settled in 1851. It was held that the letter did not amount to a sufficient acknowledgment to take the case out of the statute. Similarly, in the present case, as regards the question whether the correspondence constitutes an acknowledgment of the debt, I agree with Bruce, J., that, without straining the language, it is impossible to find in the letters any acknowledgment of indebtedness to the full face amount of the note.

But the learned Judge proceeded to deal with the case from another point of view. He was of opinion that the effect of the correspondence was that there was an invitation by the defendant to the plaintiff to have the account gone into between them, and a promise by the defendant to pay what, on that being done, might prove to be the amount due from him. That is an invitation which a man may give, and a promise which he may make, although he may previously in the correspondence have denied his indebtedness to the amount claimed, and have suggested that certain specific payments have been made by him on account of the original debt. The effect of the correspondence as a whole may, notwithstanding those statements, be that he makes a fresh promise, if an account be taken, to pay what is found to be due from him on that account. This case appears to me to be on the border line, but I am not prepared to say that the construction so put by Bruce, J., upon the defendant's letters was wrong. The cases of Prance vs. Sympson, Sidwell vs. Mason and Skeet vs. Lindsay are ample authority to show that such a promise, that is to say, a promise to pay the balance which may be ascertained to be due in respect of the original debt upon an account being taken, is a sufficient promise to take a case out of the statute of limitations. Looking at the common law cases on the subject, apart from any question of a claim in equity to an account, they appear to show that, where a defendant in effect has said that he does not think that he owes so much as is claimed, but, if vouchers are furnished, he will pay whatever is due, that is an acknowledgment of a debt subject to the business operation of ascertaining the amount being gone through. That operation was in this case gone through at the trial, and Bruce, J., arrived at the conclusion that the full amount of the note and interest was still due. Under these circumstances I think the appeal must be dismissed.

REPLIES TO LAW AND BANKING QUESTIONS.

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

A reasonable charge is made for Special Replies asked for by correspondents—to be sent promptly by mail.

COLLATERAL NOTES—APPLYING PROCEEDS TO PAYMENT OF PRINCIPAL NOTE.

Editor Bankers' Magazine: BOTTINEAU, N. D., June 24, 1903.

SIR: Will you kindly inform me what you hold to be the law in the matter of applying proceeds of collateral notes to the payment of the principal note. Is it optional with the bank, in the absence of any express agreement, whether it applies the proceeds of collateral paper at the time of its collection, or can it hold such proceeds until maturity or after maturity until there is a sufficient amount collected to pay the principal note with interest in full. For instance, our bank takes a principal note of $1,000 from A, and there are sundry notes, aggregating $1,500, deposited as collateral thereto. Several of the collateral notes are collected prior to the maturity of the principal note, but not enough to pay the principal note in full at maturity, and the maker makes no payment thereon at maturity or at any other time. Is our bank required to apply these collections on the principal note; (1) at the time they are severally received, or (2) at the maturity of the principal note, or (3) can it hold the proceeds of the collateral until there is sufficient collected to take up the principal note with interest? In other words, is a bank required to accept partial payments in the absence of an agreement therefor? Also, do you hold that we can charge the customary collection charges on the collateral paper the same as on other paper left with the bank for collection. F. W. CATHRO.

Answer.—The bank is not bound, nor has it the right, to apply the proceeds of collaterals to the payment of the note which they are intended to secure until such note has matured; for until then nothing is due on such note. After maturity, the bank has the option to apply the proceeds of the collaterals, as they are collected, or it may defer such application until the amount of such collections is sufficient to pay the note in full. We see no reason why the bank may not make the usual collection charge on paper deposited as collateral.

PROTEST OF CHECKS BY BANK OFFICER.

Editor Bankers' Magazine: LAKE CITY, ARK., May 27, 1903.

SIR: Can the Cashier of a bank, who is a notary public, protest check drawn on his bank? Can he protest drafts and notes sent to his bank for collection and remittance, on which payment is refused? CASHIER.

Answer.—It has been held that a notary who is an officer of a bank may legally protest paper belonging to the bank (Nelson vs. First Nat. Bank, 69 Fed. Rep. 798; 29 U. S. App. 554), and this even though he is a stockholder in the bank (Moreland's Assignee vs. Citizens' Savings Bank [Ky.]), 30 S. W. Rep. 19). And it has further been held that a Cashier who is a notary may protest his own note, which has been discounted by the bank (Dykman vs. Northridge, 1 App. Div. [N. Y.] 26). We see no reason, therefore, why he may not protest a check drawn on his bank.

*THE PRACTICAL WORK OF A BANK.

INCREASING THE NET EARNINGS.

IV.

I.—Prudent and Economical Management.

Banking has experienced in the last forty or fifty years development and progress equal at least to that of any other line of business, and though the private banker is still considerably in evidence, the bulk of his important transactions has devolved on chartered banks, existing with varying restrictions and privileges under State and national laws. The tendency to incorporate is constantly spreading so that not only cities of importance, but equally so towns bordering on the wilderness, have chartered banks, affording the facilities which are so necessary to the proper administration of industry.

But with this same tendency of appealing to the confidence of the public by inviting supervision by authorities existing for that purpose, come features that ordinarily are overlooked, but in substance are the very staff of life of chartered banks.

The private banker was responsible at most to a partner for the proper care of funds invested. A dollar expended was virtually a dollar out of his own purse, a dollar gained was his and at his disposal. But the million-dollar capital bank of to-day makes gains and losses not for one or two individuals, but for a vast number of investors who look to it for returns, most of whom probably would be entire strangers to the institution if their names were not on record as stockholders. Their interests are looked after by a fractional portion of their body, the officials of the bank, and while the law enables a general supervision over these, they in person bear the responsibility for progress or loss of prestige.

Bank managers should not overlook these conditions. Because a loss will affect them indirectly only, namely in proportion to the amount of shares held by them personally, which may be very small, it must nevertheless be avoided as if it were to be theirs individually. Likewise there must be no hesitation in taking advantage of every opportunity for furthering the welfare of the bank, though it may mean annoyance and interference with private affairs. If in such contingencies the President or Cashier were absolute owner of the institution he is serving, he would not pause but would at once do that which promised profit. Because he acts in merely a representative capacity and the prospective gain would perhaps mean but little to him, he should not avoid what is his plain duty.

The proper economical administration of a bank, then, depends principally upon the idea the management has of its responsibilities. Every dollar must be earned before it is spent, and the aim should be, of course, to keep the receipts as far in advance of the disbursements as possible. In every bank, large or small, the manager can do this to better advantage and can keep stricter supervision over the funds as they come and go by not shirking a little bookkeeping. As a matter of course, the general balance book, the dividend, the expense and profit and loss accounts,

* A series of articles to be published in competition for prizes aggregating $1,050, offered by The Bankers' Magazine. Publication of these articles was begun in the July, 1901, number, page 18.

will always be open to him. Be they, however, condensed as much as possible, they cannot be as instructive as a simple little form which can be kept handy and will show at a glance whence the money comes and where it goes, and what relation toward one another the different items assume.

1900	Interest and Discount	Exchange	Real-Estate Income	Real-Estate Cost	Taxes	Dividends	General Expense	Losses	Profits
January	3506	201 01		96	4500; 1000		1260	1000	
February	3014 10	167 10		74 25		3000	1292		775
March	3101 16	178 90	450	102 05			1907 06	50	1000
April	2850 70	200 10		86 40			1275 16	410 10	225
May	3010 10	176 95		91		3000	1310		
June	2960 75	182 30	412	93			1360	25	1670
July	2670 12	210 20		86 17	100		1140 10	25	
August	2716 30	192 70		89	850	3000	1287		551 16
September	3006	168 40	398 42	101 10			1196 47		
October	3078 42	158 67		86 47			1147 12	700	730
November	2987 12	217		85 60		3000	1214 10		
December	3060	221 64	427 13	77			1096	150	100
Total	35660 77	2274 97	1687 55	1068 04	5550	12000	14885 01	2360 10	5051 16

Summary

Interest & Disc.	35.660.77	Real Est. Cost	1.068.04
Exchange	2.274.97	Taxes	5.550.
Real Est. Income	1.687.55	Dividends	12.000.
Profits	5.051.16	General Expense	14.885.01
	44.673.85	Losses	2.360.10
	35.863.15		35.863.15
1900 Net Profit	8.810.70		

FORM 1.

These figures accurately reflect existing conditions, and transactions must be carried out according to their tenor. If, however, it is a question of granting loans, extending a privilege or incurring expense, no decision should bear the taint of avarice, for the difference between conservatism and closeness is a great one.

Among the various items of expenditure the salary list is an important one. Labor-saving devices have made but few inroads in bank work. The efforts of brains cannot be produced by machinery, the reason of their high level in industry. And this again is a reason why they should not be underrated, but rewarded according to their merit. A good man in his position is never overpaid and it would be but crippling the service to begrudge him the just due of his ability, which most certainly will only then be exercised to its full extent when properly appreciated.

The clerical force, from the lowest to the highest position in the bank, should be selected with an eye toward securing the best possible service under all circumstances. As the volume of work constantly fluctuates, so must the employees be able to master it at all times, and not only master it, but master it well, even when the stress of business is most severe. Useless clerks can easily be avoided by a proper division of the work, and the manager can facilitate his work of superintending by keeping a record of the general deportment of those under him. This need not call for a system of espionage, in fact should not, but a memorandum now and then may frequently ease the so often perplexing task of making promotions. At times it will pay a bank to pension an employee and engage a more efficient man instead rather than retain worn material and poor service. Such cases are merely drawbacks to the *esprit de corps* and ought to be eliminated.

Stationery is also an item of considerable expense. While it should be well adapted to the needs of the institution and always appropriate and attractive in appearance, it must not be a cause of useless waste of money. It is a good plan to keep a regular stationery stock-book showing date of each order, quantity, price and by whom furnished. Among the advantages of this is the record showing how long a certain supply lasted and in this way particularly unnecessary leakage in the expense account can more easily be stopped.

Deposit Tickets

Date		Ordered from		Quantity	Cost	
Jan	2/00	Brown Ptg. Co.		100 m	$48	—
Aug	4	"		100 m	48	—
Oct	10	" "	with 45 customers' names 1.00 for each	47.500	30	—
Nc	22	Jones & Crouch		200 m	85	—
May	1/01	"		150 m	70	—

FORM 2.

The necessity of neatness applies not only to the stationery, but to the counting-rooms and everything connected with them as well. Rather sacrifice a few dollars than the good opinion of your dealers and the public.

II.—PREVENTING USELESS EXPENDITURE OF TIME AND MONEY.

A good system generally, with the proper apportionment of work, will do a great deal in this direction. As the saying has it, "time is money." So will time lost be measured in dollars and dollars lost be measured by the time required to earn them. Heads of departments must be taught to avoid all unprofitable transactions and should make it a point to enquire into the nature of matters that come under their observation. No doubt many things are daily done in banks that represent a direct loss, repeated over and over simply because the propriety of investigation has occurred to no one. Such drains on the earnings can be stopped by the use of a little judgment.

Take the case of that class of customers who do a straggling infinitesimal business. While every little counts, this holds true only of that small account whose balance retains a regular character and which does not require services that would be justifiable for business done on a large scale. The collection of notes, probably universally done without charge, should not exceed in bulk what the size of the account would warrant. Fortunately enough, clearing-house rules have been formulated in a great many cities, providing for charges on out-of-town collections. This does away with what at one time was a source of considerable loss to the banks.

Customers who make it a point to overdraw should be expelled at an early stage of their filibustering operations. In short, wherever leakage of time or money exists (and, as mentioned, it may require search to establish the fact), stop it at once. An hour here and a dollar there sum up a considerable amount in course of time—and every little counts.

Advertising and subscriptions of various kinds also may be considered under this heading; neither of the two should be overdone. It is policy, though, these days, to keep before the public at all times, and judicious advertising is indispensable to success. Where and when to use this costly medium with some assurance of returns is a question often quite perplexing. Here, too, money is frequently squandered.

Banks are "easy marks" not only for the assessor, but also for the suave gentleman and irresistible lady with the subscription list. While deserving charity ought not be overlooked, impudent solicitation should be promptly suppressed.

In the foregoing is found what bears indirectly only on the earnings of a bank, and next to consider are the important items that reflect directly on the profit and loss account. Interest and exchange here occupy foremost places. Adjusting these to the market rates and constantly watching the possibilities of gaining advantages, are probably the first duties of the President or Cashier. Banks usually carry a considerable line of call loans, made at varying rates. These should of necessity be the first to respond to whatever pressure may be brought to bear on the money market. Time paper will not be influenced so quickly, but under particular stress ought to carry its share of the burden. The problem of paying interest, and what rate, on time deposits is a vexatious one, and unfortunately competition creates the condition that for fear of losing business most banks retain the usual high rate, even when at a loss for investments. Perhaps the correct solution would be a clearing-house regulation akin to that governing collection charges.

To keep the reserve in such shape that every available dollar is active, although it be only in earning two per cent. in an out-of-town balance ; to note the rate of earning on the loans and the cost of deposits (easily too high); in case of a National bank to watch the circulation ; finally, to comprehend fully the relation between all this in its entirety, are matters that keep the bank manager of to-day constantly on the alert for fresh developments. Throughout let him remember that time is money, and *vice versa.*

III.—Increasing the Bank's Customers.

Securing and retaining a desirable class of customers is the banker's natural ambition. The task is never an easy one, requiring a way of meeting a varied lot of individuals each on his own plane. Tact, courtesy, a temper always under control, quick judgment—are here essential. In the effort of increasing the bank's customers those already on the books must not be neglected. It is always better policy to devote time to looking after their wants and possible complaints, rather than spend it in different ways. The good-will of established connections should primarily be courted. This granted, each of these will at the opportune moment return favors and much good results when this relation of friendship is once a matter of fact. Not to be overlooked is the chance employees may find for increasing the bank's business, provided a sufficient interest is taken in current affairs.

Various publications, daily, weekly and monthly, should be scanned for the many announcements they always contain. New corporations, election of directors, change in officers and cases in trusteeship and the like may bring out the name of an acquaintance close enough to turn some deal in the desired direction.

Banks should be represented in the most prominent business and social organizations of their locality. Whenever feasible, the officers should seek to form new acquaintances, at home as well as abroad, and the up-to-date institution will see that it is in evidence at important conventions, etc. A certain influential standing in the community is not only desirable, but quite necessary, a fact generally verified in the popular conception of a banker.

As a rule the board of directors will portray the general character of the establishment, hence to make progress, progressive men should be called upon to serve. Their private interests should be identified with that of the bank and a willingness to make occasional sacrifices be evident. The number of directors is of importance, inasmuch as a larger field can be covered with a larger number, and it is a matter of course that each will use his best efforts to gather up all possible business in his sphere for the benefit of the bank. This ought to hold true of stockholders as well, though naturally those of a speculative turn of mind cannot be expected to do much in that direction.

IV.—Ways in Which Business may be Profitably Extended.

When considering a new proposition, it is well first of all to judge whether profit or loss is apt to ensue. Latter-day keenness in competition often induces banks to accept business that not only is unprofitable, but decidedly detrimental. In just such questions the acute manager will assert himself; it is here that sound judgment will be brought into play. Financing schemes of various kinds may pay, but care must be taken not to tie up funds where in case of a sudden call they would be inaccessible. Tiding merchants and corporations over temporary difficulties is a task frequently thrust upon banks, occasionally perhaps voluntarily assumed; if properly approached, the result will usually produce mutual benefit and profit. However, this is a tortuous channel to navigate and the steering here should invariably be done by the bank.

United States, State and municipal deposits to many institutions are desirable prizes, and a portion of the profit therefrom is found in the confidence the possession of such creates in the mind of the public. But they should never be accepted for this reason alone, the problem of dollars and per cent. being the superior one. Bids for business of this kind usually are the outgrowth of certain policies on the part of the directors, ordinarily governed by individual features characteristic of the bank.

Extensive safe-deposit arrangements are comparatively new with the majority of banks, but where they can be established without fear of too much competition, their introduction is undoubtedly a wise step. As it calls for a considerable investment, however, calculations must show plainly that reasonable returns will be forthcoming. It must be remembered here as in every other department that banks operate for a profit above all other considerations, and to do things merely for personal gratification is beyond their sphere. The prime idea is to make both ends meet in such a way that they overlap each other—the more the better. Max Judge.

THE BEGINNINGS OF THE BANK OF ENGLAND.

The Bank of England was born of two revolutions—one of them political, the other economic. After a century and a half of strife and dissension over questions of church and State, the nation had finally made up its mind to adopt that form of polity which was generally identified with Protestantism. James II., the last Stuart and Roman Catholic king, had fled beyond the sea, and the Calvinistic Prince of Orange, William III., was settling himself, though with some difficulty, on the uneasy English throne. Meanwhile, an economic revolution, less noticeable, perhaps, but not less important, was already displacing the crude industrial contrivances of an earlier age. England, at the close of the seventeenth century, found herself undeniably prosperous, and this in spite of a hundred years of political overturnings. For whatever faction might be uppermost, Papist or Protestant, round-head or cavalier, English trade had prospered. Alike under the dissolute Charles, the iron-handed Oliver, or the parsimonious James, Englishmen had made money, and the revenues of the kingdom had steadily increased. To meet these new conditions, the primitive machinery of finance as it then existed was found to be ludicrously inadequate.

The goldsmiths, for a time, were the principal bankers. With their conveniences for storing plate and jewels, they naturally soon began to receive gold and silver coin on deposit, and just as naturally drafts were drawn against these deposits and readily passed from hand to hand.

But even this primitive system had its opponents. The goldsmiths and their new-fangled ways of getting rich were regarded with an evil eye by royal cavaliers and tory squires, and the more conservative merchants still preferred to keep their sovereigns and shillings in their own strong boxes at home. Sir Dudley North, returning to England in 1680, was furious at the goldsmiths, who followed him around the Royal Exchange in their obsequious persistence to serve him. When asked where he kept his money, he replied in great heat, "Where should I keep it but in my own house!"

But other and greater shocks were in store for the old fogies who regarded as dangerous innovations the methods of these banker-goldsmiths. For while private traders could perhaps have made shift for a while longer, the position of the Government was every day becoming more intolerable. With the most imperfect machinery for conducting its fiscal operations, its revenues delayed or unavailable, the administration was in the position of a great proprietor, who owns everything in sight, and yet is compelled to borrow five pounds from his footman or ten shillings from his valet to meet the running expenses of his establishment.

The City of London was familiar with the spectacle of a procession of cabinet ministers walking up and down Cornhill or Cheapside, hat in hand, to borrow fifty thousand from this wealthy draper and a hundred thousand from that well-to-do ironmonger, in order to close up some sudden gap in the national exchequer. Nor, indeed, was this all, or even the worst. A great swarm of usurers and money-lenders had gathered about the court. Patriotic gentlemen these, who were always ready to come to their country's relief at rates varying from fifteen to fifty per cent. And when, as was frequently the case, the crown jewels or royal dinner service had to be placed in pawn, royalty found themselves compelled to pay about four times as much for their accommodations as did their own most loyal subjects.

Naturally enough, when the scheme of a national bank was proposed, money-lenders and goldsmiths joined with the tories in predicting its speedy ruin and the ruin of the ungrateful country which refused to be helped at the rate of forty per cent. Upon the bill receiving the royal signature, the pawnbrokers and shylocks set up a howl of rage. Some proclaimed that the throne was in danger; for, they argued, banks and kings had never existed together. There were banks in the Republics of Venice, of Genoa and Amsterdam, but who ever heard of a Bank of France or a Bank of Spain.

Historically, at least, these obstructionists had the right of it, for banks, in principle, are republican institutions, representing, as they do, the wealth of the many rather than of the few, the common-wealth as opposed to the individual hoard. They are the expression, in concrete form, of the spirit of mutuality and confidence.

From the very outset did England's great bank prove a more stable foundation for England's finances than the good-will of her nobles or merchant princes.

But all this is much plainer to-day than it was in 1691, when William Paterson put forth his scheme for a national bank. Little is known of the early history of this strange man, excepting that he soon abandoned his youthful profession of the ministry and gave himself over to a life of wandering and adventure. He visited the West Indies and there became either a missionary or a pirate according as friend or enemy told the story. Visionary and enthusiast that he was, somewhere in his roving existence he had acquired a perfect knowledge of accounts, and his plan for a national bank, taken up and fathered by the foremost whig politicians of the day, was carried to a successful conclusion, while Paterson himself appears only as a director the first year.

He is heard of again, four years after the establishment of the bank, heading the famous Darien expedition. With fourteen hundred infatuated followers, Paterson set sail for the American isthmus with the idea of founding a new East India Company and an ideal community as well. The rainbow visions of the projectors were soon cruelly dispelled. Disease, the climate, the savages and the Spaniards rapidly thinned their ranks, and only a handful of hollow-cheeked, fever-stricken wretches returned to tell the tale of sufferings which have become historic.

Many who had profited by Paterson's schemes now found it convenient to ignore the broken adventurer who lay dying in poverty, but the Bank of England is Paterson's monument, although nowhere do we find his name inscribed upon it.

The new Government was in rather desperate straits. William, as the soul and brain of the great European coalition which was successfully opposing the pretensions of the "Grande Monarque" Louis XIV., was anxious to join his army in Holland. That army was suffering for many necessaries, and for all the willingness of Parliament and people, and the laying of new taxes, the estimates for 1694 were still a million short. Any number of projects and projectors were astir. A lottery was proposed, and one Neale, a professional gambler about the court, was named as a fit person to superintend it. A scheme for a Land Bank was brought forward by which the wealth of all landowners was to be doubled, a ten-pound note or credit to be issued against every ten pounds' worth of real estate. This project was wondrously popular for a time; indeed, the Land Bank threatened to become a serious rival to the Bank of England, and subscription books were opened with a great flourish of trumpets. But, as is often the case, it soon developed that the most enthusiastic advocates of the Land Bank were those who had neither land to lose nor money to invest.

Then Paterson's half-forgotten project was thought of and taken up by Charles Montague, a powerful cabinet minister, seconded by Michael Godfrey, one of the most prominent merchants of London.

After much discussion and opposition, the plan took definite shape as follows:

The sum of £1,200,000 was to be advanced for the public service; the subscribers to this loan were to receive eight per cent. (a small rate for those days), £4,000, a year for expenses of management—in all £100,000—and were incorporated into a society denominated "The Governor and Company of the Bank of England."

The act of Parliament by which the "Tonnage Bank," as it was sarcastically called, was established, is entitled:

"An act for granting to their majesties (William and Mary) several duties upon the tonnage of ships and vessels, and upon beer, ale and other liquors for securing certain recompenses and advantages in the said act mentioned, to such persons as shall voluntarily advance the sum of £1,500,000 towards carrying on the war with France."

To prevent this loan from being absorbed by the money kings of that day, £10,000 was the limit of the first subscription for any one person, and not more than £20,000 altogether. In spite of the wails and howls of money-lenders and goldsmiths and the dismal prophecies of conservatives who, because people declined to keep their sovereigns and shillings in clumsy iron boxes and behind secret panels, the country, perforce, must be going to the dogs, the whole subscription to this most popular of loans was filled in ten days, and the charter for the bank to commence business was issued July 27, 1694.

The beginning of the Bank of England was the beginning of a new era in England's finances. There were no more humiliating pilgrimages to the city in order to beg a few thousands to keep the Government afloat. Loyal noblemen were no longer called upon to cut down their ancestral forests or throw their family plate into the melting-pot to fit out armies and fleets for a distressed king. The day when royalty was compelled to borrow money at pawnbroker's rates was done.

Like its great predecessors of Genoa, Venice and Amsterdam, the Bank of England was founded on a loan to the Government. Its first subscription was handed over to the Exchequer, and to-day all of its present capital of some £14,000,000 is invested in the same manner. Bound thus to the Government by the strongest of all ties, self-interest, the bank has also remained true to the political interests which brought it into being. As the Church of England has always been the natural conservator of tradition, and the chief exponent of the old cavalier and landed interests, so the Bank of England is the main bulwark of her great commercial and manufacturing interests.

Buttressed by church and bank, by treasures spiritual and treasures material, what wonder if Great Britain complacently sends her soldiers and her ships, her guns and her goods, to the four quarters of the globe, confident of winning every victory whether of war or peace.

JESSE C. JOY.

New York State Banks.—Report of condition at the close of business on Saturday, May 23, 1903.

RESOURCES.	
Loans and discounts, less due from directors	$218,642,065
Liability of directors as makers	6,903,951
Overdrafts	207,823
Due from trust companies, banks, bankers and brokers	30,048,818
Real estate	11,827,742
Mortgages owned	3,803,804
Stocks and bonds	24,030,168
Specie	27,074,194
U. S. legal tenders and circulating notes of National banks	15,517,892
Cash items	12,277,700
Assets not included under any of the above heads	698,492
Add for cents	598
	$852,032,747

LIABILITIES.	
Capital	$27,945,700
Surplus fund	20,930,361
Undivided profits	10,840,408
Due depositors on demand	244,710,838
Due to trust companies, banks, bankers and brokers	31,893,670
Due savings banks	14,072,599
Due the Treasurer of the State of New York	1,271,464
Amount not included under any of the above heads	367,401
Add for cents	306
	$852,032,747

GROWTH OF THE SAVINGS BANKS.

The table presented below is taken from the annual report of the Comptroller of the Currency for 1902. It shows that the deposits in the Savings banks are equal to more than two-thirds of the individual deposits of the National banks of the United States. This is a remarkable showing for the Savings banks, particularly when it is remembered that $2,800,000,000 of the Savings banks deposits out of a total of $2,750,000,000 is found in the New England and Eastern States alone.

NUMBER OF SAVINGS DEPOSITORS, AGGREGATE SAVINGS DEPOSITS, AND AVERAGE AMOUNT DUE TO DEPOSITORS IN SAVINGS BANKS IN EACH STATE IN 1900–1901 AND 1901–1902.

States, etc.	1900-1901.			1901-1902.		
	Number of depositors.	Amount of deposits.	Average to each depositor.	Number of depositors.	Amount of deposits.	Average to each depositor.
Maine	196,583	$69,533,058	$353.71	193,005	$72,082,694	$373.47
New Hampshire	134,482	57,128,616	424.80	147,928	60,249,862	407.29
Vermont	123,151	40,209,059	326.50	128,529	41,987,497	326.68
Massachusetts	1,535,009	540,403,687	352.05	1,593,640	560,705,752	351.84
Rhode Island	138,884	72,330,141	520.80	138,366	71,900,541	519.64
Connecticut	410,342	183,781,942	447.88	425,588	193,248,909	454.07
Total New England States	2,538,451	963,386,503	379.52	2,627,056	1,000,175,255	380.72
New York	2,129,790	987,621,809	463.72	2,229,661	1,051,689,186	471.68
New Jersey	211,278	63,361,489	299.90	227,130	69,866,709	307.60
Pennsylvania	a 356,418	113,748,461	319.14	396,877	120,441,275	303.47
Delaware	23,307	5,511,495	236.47	4,187	1,265,586	302.26
Maryland	175,740	61,250,694	348.53	186,293	64,367,767	345.52
District of Columbia	5,635	831,832	147.62	10,845	1,309,555	120.75
Total Eastern States	2,902,168	1,232,325,780	424.62	3,054,993	1,308,940,078	428.46
West Virginia	4,728	563,264	119.13	4,687	680,372	145.16
North Carolina	12,171	2,096,453	172.25	12,201	2,451,838	200.95
South Carolina	23,164	5,785,792	249.78	....	....	....
Tennessee	19,823	3,519,333	177.54	....	....	....
Total Southern States	59,886	11,964,842	199.79	16,888	3,132,210	185.47
Ohio	90,803	43,672,493	480.96	103,405	48,180,438	465.94
Indiana	22,354	6,561,464	293.53	24,362	7,288,506	299.17
Illinois	a 258,916	c 80,251,287	309.95	b 277,879	c 100,072,804	360.13
Wisconsin	3,385	634,236	187.37	3,908	719,009	183.98
Minnesota	56,179	13,961,616	248.52	63,293	15,526,701	245.31
Iowa	a 203,227	73,578,268	362.05	a 238,421	85,703,614	359.46
Total Middle States	634,864	218,659,364	344.42	711,268	257,491,072	362.02
California, total Pacific States	a 223,354	170,758,091	764.52	a 256,467	180,438,675	703.55
Total United States	6,358,723	2,597,094,580	408.30	6,666,672	2,750,177,290	412.53

a Estimated.
b Partially estimated, 55 banks, with $96,890,262 savings oeposits, reports 269,038 depositors.
c Savings deposits in State institutions having savings departments; abstract of reports included with State banks.

Taking the latest figures as given above and comparing them with the statements of the National banks for November 25, 1902, the following is shown:

STATES.	*National banks individual deposits.*	*Savings banks deposits.*
Maine	$24,828,703	$72,082,694
New Hampshire	13,560,101	60,249,862
Vermont	12,427,008	41,987,497
Massachusetts	236,473,406	560,705,752
Rhode Island	19,919,863	71,900,541
Connecticut	43,211,758	193,248,909
New York	720,970,477	1,051,689,186
New Jersey	87,352,682	69,866,709
Pennsylvania	445,709,755	120,441,275
Delaware	7,382,878	1,265,586
Maryland	51,182,897	64,367,767
District of Columbia	21,036,515	1,309,555
Total	$1,684,056,043	$2,309,115,333

In all the New England States, and also in New York and Maryland, the deposits in the Savings banks greatly exceed the individual deposits in the National banks.

It is entirely foreign to the purpose of this inquiry to institute any comparison between the two classes of institutions that would in any wise reflect on the National banks. Both the latter and the State banks as well are necessary to the industrial and commercial prosperity of the country and are fulfilling functions outside the scope of Savings banks, with which in fact they do not compete, except to some extent in the matter of receiving deposits. But the above figures are an impressive tribute to the soundness of the Savings banks and the care and ability with which they are managed. Of course, in rendering the great services which they do to commerce and industry, banks of discount must take risks from which Savings banks are exempt. A commercial bank can not be hedged about by the restrictions under which Savings banks operate. No doubt the superior safety of the latter class of banks is an important factor in drawing to them such large deposits, and would seem to justify a strong effort to bring all banks up to the highest possible standard. Although it would not be feasible to assure the safety of commercial banks in the same way as Savings banks are safeguarded—by narrowly restricting their investments—yet there is doubtless room for improvement without unduly hampering the operations of the banks. Someone has lately said that all bank failures are due either to dishonesty or incompetency. While it may not be possible to make all men either honest or capable, it may be possible to diminish the number of the incompetent and dishonest who get into the banking business. Only a small minority of banks ever fail, and by far the greater number are safe enough ; but the comparatively few failures tend to cause distrust of all banks on the part of the timid. If absolute safety could be assured all depositors, the amount of money put into the banks would be greatly increased.

While safety and a fair dividend rate explain the remarkable growth of the Savings banks, there is another reason that should not be overlooked—the vast possibilities in the aggregate of small sums of money. The $2,300,000,000 of Savings bank deposits in the New England and Eastern States is divided among over 5,000,000 depositors, the average to the credit of each depositor being about $400.

No better illustration of the wonderful possibilities of the small depositor could be found than is afforded by the Bowery Savings Bank, of New York city, whose deposits reach a total of almost $83,000,000, divided among about 140,000 depositors.

The interests of the Savings banks of New York State are jealously guarded by the New York Savings Banks Association, and an association has been formed recently which will be auxiliary to the American Bankers' Association and will embrace Savings banks in all parts of the United States.

At present the activities of Savings banks are confined chiefly to the Eastern and Middle States, but there appears to be no good reason why the system should not be gradually extended to other parts of the country.

The Savings banks are in many cases feeders of the commercial banks and are rarely their rivals. Both classes of institutions render a service to the community which neither could perform separately.

Since the resources of the Savings banks have reached such large proportions they have naturally attracted attention from the taxing powers, and it is conceivable that the charge will be brought forward that the laws have discriminated in their favor. It will require constant watchfulness to defend these semi-eleemosynary institutions from envious or ignorant legislative assaults.

The growth of Savings banks in the United States is a subject worthy of the careful study of every banker and financial student.

PROGRESS OF THE UNITED STATES IN ITS AREA, POPULATION, AND MATERIAL INDUSTRIES.

	1800	1810	1820	1830	1840	1850	1860	1870	1880	1890	1900
Area [a] ....sq. miles..	827,844	1,999,775	2,059,043	2,059,043	2,059,043	2,980,959	3,025,600	3,025,600	3,025,600	3,025,600	3,025,600
Population	5,308,483	7,239,881	9,658,453	12,866,020	17,069,453	23,191,876	31,443,321	38,558,371	50,155,783	62,622,250	76,303,387
Population per square mile	6.41	3.62	4.68	6.25	8.29	7.78	10.39	12.74	16.57	20.70	25.22
Wealth [b] ....$..						7,135,780,000	16,159,616,000	30,068,518,000	42,642,000,000	65,037,091,000	94,300,000,000
Wealth per capita ....$..						307.69	513.93	779.83	850.20	1,038.57	1,235.86
Debt, less cash in Treasury [d] ....$..	82,976,294	53,173,218	91,015,566	48,565,406	3,573,344	63,459,774	59,964,402	2,331,169,956	1,919,326,748	890,784,371	1,107,711,258
Debt per capita ....$..	15.63	7.34	9.42	3.77	.21	2.74	1.91	60.46	38.27	14.22	14.52
Interest-bearing debt ....$..							64,640,838	2,046,455,722	1,723,993,100	725,313,110	1,023,478,860
Annual interest charge ....$..							3,443,687	118,784,960	79,633,981	29,417,603	33,545,130
Interest per capita ....$..							11	3.08	1.59	.47	44
Gold coined ....$..	317,760	501,435	1,319,030	643,105	1,675,483	31,981,739	23,473,654	23,198,788	62,308,279	20,467,183	99,272,943
Silver coined ....$..	224,296	638,774	501,681	2,495,400	1,726,703	1,866,100	2,259,390	1,378,256	27,411,694	39,202,908	36,295,321
Gold in circulation ....$..							[e]228,304,775	[f]25,000,000	225,695,779	374,258,923	610,806,472
Gold certificates in circulation ...$..									7,963,900	130,830,859	200,733,019
Silver in circulation ....$..									68,622,345	110,311,336	142,050,334
Silver certificates in circulation ..$..									5,789,569	297,556,238	408,465,574
U. S. notes (greenb'ks) outstand'g.$..								356,000,000	346,681,016	346,681,016	346,681,016
National-bank notes outstand'g..$..								301,859,275	342,048,322	179,449,958	331,580,183
Circulation of money ....$..							435,407,252	675,212,794	973,382,228	1,429,251,270	2,055,150,998
Per capita ....$..							13.85	17.50	19.41	22.82	26.93
National banks in operation....No..								1,619	2,056	3,351	3,606
National banks—capital ....$..								433,803,311	461,557,515	623,791,365	608,588,045
Bank clearings, New York ....$..							7,231,143,057	27,804,539,406	37,182,128,621	37,660,686,572	51,964,588,564
Bank clearings, total, U. S ....$..										58,845,279,505	84,582,450,081
Deposits in national banks ....$..								507,368,619	1,006,452,853	1,485,095,856	2,623,997,522
Deposits in savings banks ....$..			1,138,576	6,973,304	14,051,520	43,431,130	149,277,504	549,874,358	819,106,973	1,524,844,506	2,449,547,885
Depositors in savings banks ....No..			8,635	38,085	78,701	251,354	693,870	1,630,846	2,335,582	4,258,893	6,107,083
Farms and farm property, value..$..						3,967,343,580	7,980,493,060	8,944,857,749	12,180,501,538	16,082,267,689	20,514,001,838
Farm products, value ....$..								1,958,030,927	2,212,540,927	2,460,107,454	3,764,177,706
Manufacturing establishments.No..						123,025	140,433	252,148	253,852	355,415	512,734
Manufactures in U. S., value ....$..						1,019,106,616	1,885,861,676	4,232,325,442	5,369,579,191	9,372,437,283	13,039,279,566
Receipts—Net ordinary ....$..	10,848,749	9,384,214	17,840,670	24,844,117	19,480,115	43,592,889	56,054,600	395,959,834	333,526,501	403,080,983	567,240,852
Customs ....$..	9,080,933	8,583,309	15,005,612	21,922,391	13,499,502	39,668,686	53,187,512	194,538,374	186,522,065	229,668,585	233,164,871
Internal-revenue ....$..	809,397	7,431	106,261	12,161	1,682			184,899,756	124,009,374	142,606,706	295,327,927
Expenditures—Net ordinary ....$..	7,411,370	5,311,082	13,134,531	13,229,533	24,139,920	37,165,990	60,056,755	164,421,507	119,090,062	261,637,203	447,553,458
War ....$..	2,560,879	2,294,324	2,630,392	4,767,129	7,095,267	9,687,025	16,472,203	57,655,675	38,116,916	44,582,838	134,774,768
Navy ....$..	3,448,716	1,654,244	4,387,990	3,239,429	6,113,897	7,904,725	11,514,650	21,780,230	13,536,985	22,006,206	55,953,078
Pensions ....$..	64,131	83,744	4,208,376	1,363,297	2,603,562	1,866,886	1,100,802	28,340,202	56,777,174	106,936,855	140,877,316
Interest on public debt ....$..	3,402,601	3,163,671	5,151,004	1,912,575	174,598	3,782,393	3,144,121	129,235,498	95,757,575	36,099,281	40,160,333
Imports of merchandise ....$..	91,252,768	85,400,000	74,450,000	62,720,956	98,258,706	173,509,526	353,616,119	435,958,408	667,954,746	789,310,409	849,941,184
Per capita ....$..	17.19	11.80	7.71	4.87	5.76	7.48	11.25	[g]11.06	12.51	12.35	10.88
Exports of merchandise ....$..	70,971,780	66,757,970	69,691,669	71,670,735	123,668,932	144,375,726	333,576,057	392,771,768	835,638,658	857,828,684	1,394,483,082
Per capita ....$..	13.37	9.22	7.22	5.57	7.25	6.23	10.61	[h]9.77	16.43	13.50	17.96
Imports—Silk, raw ....lbs..								583,589	2,562,236	7,347,909	13,043,714
Rubber, crude ....lbs..								9,624,098	16,826,099	33,842,374	49,377,138
Tin plates ....lbs..								150,932,768	379,902,880	680,060,925	147,963,804
Iron, steel, and manufactures.$..				6,346,237	8,192,093	17,665,398	21,526,594	32,655,454	53,714,008	41,679,591	20,478,728
Exports—Iron, steel, and manufactures ....$..		139,000	57,000	309,473	1,104,455	1,911,320	5,703,024	11,002,902	12,605,576	25,542,208	121,913,548
Agricultural products ....$..		33,502,000	41,657,673	46,977,332	92,548,067	108,605,713	256,560,972	361,188,483	685,961,091	629,820,808	835,858,123
Manufactures ....$..		3,897,570	3,891,869	6,641,016	11,149,621	17,580,456	40,345,982	68,279,764	102,856,015	151,102,376	433,851,756

PROGRESS OF THE UNITED STATES IN ITS AREA, POPULATION, AND MATERIAL INDUSTRIES.

	1800	1810	1820	1830	1840	1850	1860	1870	1880	1890	1900
Farm animals, total value .... $..						544,180,516	1,089,329,915	1,822,328,377	1,576,917,556	2,418,766,028	i2,981,054,115
Cattle .... No..					14,971,586	17,778,907	25,616,019	25,484,100	33,258,000	52,801,907	j67,804,022
Horses .... No..					k4,335,669	4,336,719	6,249,174	8,248,800	11,201,800	14,213,837	j18,266,140
Sheep .... No..					19,311,374	21,723,220	22,471,275	40,853,000	40,765,900	44,336,072	j61,605,811
Mules .... No..						559,331	1,151,148	1,179,500	1,729,500	2,331,027	j3,366,724
Swine .... No..					26,301,293	30,354,213	33,512,867	26,751,400	34,034,100	51,602,780	j62,876,108
Production of gold .... $..		l2,463	l73,112	l564,950	l11,697,829	50,000,000	46,000,000	50,000,000	36,000,000	32,845,000	79,171,000
Silver .... $..						50,000	150,000	16,000,000	39,200,000	70,465,000	74,533,495
Coal .... tons..			m365	179,734	864,379	3,358,899	18,513,123	32,863,000	63,822,830	140,866,931	240,965,917
Petroleum .... galls..							n21,000,000	220,951,290	1,104,017,166	1,924,552,224	2,661,233,568
Pig iron .... tons..			20,000	165,000	286,903	563,755	821,223	1,665,179	3,835,191	9,202,703	13,789,242
Steel .... tons..								68,750	1,247,335	4,277,071	10,188,329
Tin plates .... lbs..											677,969,600
Copper .... tons..					o100	650	7,200	12,600	27,000	115,966	270,588
Wool .... lbs..					35,802,114	52,516,959	60,264,913	162,000,000	232,500,000	276,000,000	288,636,621
Wheat .... bush..					84,823,272	100,485,944	173,104,924	235,884,700	498,549,868	399,262,000	522,229,505
Corn .... bush..					377,531,875	592,071,104	838,792,740	1,094,255,000	1,717,434,543	1,489,970,000	2,105,102,516
Cotton .... bales..	155,556	340,000	606,061	976,845	2,177,835	2,333,718	4,861,292	3,114,592	5,761,252	7,311,322	9,436,416
Sugar .... tons..					69,246	110,526	190,040	46,800	92,802	136,503	149,229
Sugar consumed .... tons..									956,784	1,476,377	2,219,847
Cotton taken by mills .... bales..						595,000	979,000	857,000	1,795,000	2,325,000	3,644,000
Cotton exported .... lbs..				298,459,102	743,941,061	1,026,602,269	1,767,686,338	958,558,523	1,822,061,114	2,471,799,853	3,100,583,188
Railways in operation .... miles..				23	2,818	9.021	30,626	52,922	93,262	166,654	194,321
Passengers carried .... No..										520,439,082	584,695,935
Freight carried 1 mile ...... tons..										79,192,985,125	141,162,109,413
Rates per ton per mile .. cts..										.93	.75
Passenger cars .... No..									12,788	21,664	26,786
Freight cars .... No..									544,185	1,099,205	1,358,467
American vessels built .... tons..	106,261	127,575	51,394	58,560	121,204	279,255	214,798	276,953	157,410	294,122	393,790
Engaged in foreign trade .. tons..	669,921	984,269	619,048	576,475	899,765	1,585,711	2,546,237	1,516,800	1,352,810	946,695	826,694
Domestic trade .... tons..	301,919	440,175	660,065	614,508	1,280,999	1,949,743	2,807,631	2,729,707	2,715,224	3,477,802	4,338,145
Commerce of Great Lakes .... tons..			p3,500	11,106	54,199	198,266	467,774	684,704	605,102	1,063,063	1,565,587
Vessels passing through Sault Ste. Marie Canal .... tonnage..							403,657	690,826	1,734,890	8,454,435	22,315,834
Commercial failures .... No..							3,676	8,546	4,735	10,907	10,774
Amount of liabilities .... $..							79,807,000	88,242,000	65,752,000	189,856,964	138,495,673
Post-offices .... No..	903	2,300	4,500	8,450	13,468	18,417	28,498	28,492	42,989	62,401	76,688
Receipts Post-Office Department . $..	280,804	551,684	1,111,927	1,850,583	4,543,522	5,499,985	8,518,067	19,772,221	33,315,479	60,882,097	102,354,579
Telegraph messages sent ...... No..								9,157,646	29,215,509	55,878,762	63,167,783
Newspapers and periodicals .... No..		q359		r861	1,403	2,526	4,051	s5,871	9,723	16,948	20,806
Public schools, salaries paid ..... $..								37,832,566	59,942,972	91,836,484	136,031,838
Patents issued .... No..					1,465	6,981	4,778	13,333	13,947	26,292	26,499
Immigrants arrived .... No..			t8,385	23,322	84,066	310,004	150,237	u387,203	457,257	455,302	448,572

a Exclusive of Alaska and islands belonging to the United States.
b True valuation of real and personal property.
c Estimated.
d Total debt prior to 1850.
e Total specie in circulation.
f Includes silver in circulation on Pacific coast.
g Imports for consumption after 1860.
h Domestic exports only after 1860.
i Does not include value of animals in cities, estimated in 1900 at $220,000,000.
j Does not include animals in cities (including stock yards), of which the census of 1900 shows: Cattle, 1,616,422; horses, 2,936,881; sheep, 231,301; mules, 189,755, and swine, 1,818,114; but does include animals under 1 year of age, which were not included in figures of 1890.
k Includes mules.
l Dr. Soetbeer's estimate averaged for the period.
m Pennsylvania anthracite shipments, 1820 to 1860; entire coal product 1870 to 1901.
n In addition to this it is estimated that 10,000,000 barrels ran to waste in and prior to 1862 for want of a market.
o 1845.
p Andrew's Colonial and Lake Trade.
q 1810 to 1860, inclusive, from census of 1880.
r 1828.
s 1870 to 1900, from Rowell's Newspaper Directory.
t 1820 to 1850, total alien passengers arrived year ending September 30.
u Years ending June 30 to date.

THE SMALL BANKER.

Is the small banker a skinflint? This inquiry is prompted by the following passage in a recent address by Mr. Horace White, the well known authority on financial and banking matters. Mr. White was arguing in favor of the issue of an asset currency by small banks, and to enforce his contention that they might be safely intrusted with the issue of such a currency, he said: "The large banks are generally conducted on liberal and broad-gauge principles. The small ones are usually in the charge of skinflints, and the skinflint policy, whatever else may be said of it, is the one most conducive to solvency."

It will be seen that Mr. White paid a tribute to the small bank, though he used his left hand in bestowing it. But was he right in his assertion that the small banks are usually in charge of skinflints?

One does not need to turn to the dictionary to find that the etymology of the word "skinflint" implies a disregard of the rights of property and of the feelings of others. To "skin" a man is not only to take his money or property, but also means to take it dishonestly, to cheat. Of course, Mr. White did not intend to say that the small bank is usually in charge of a cheat. What he meant was, obviously, that the small bank is usually in charge of men who are grasping and close-fisted and look narrowly to what they consider their own interests. But even this view is probably a mistaken one. The old-time country banker, perhaps, was frequently of this type. His portrait was finely drawn in an address delivered before the Indiana Bankers' Association some years ago by Mr. W. T. Fenton, Vice-President of the National Bank of the Republic, Chicago. Mr. Fenton made this picture all the more striking by contrasting the skinflint sort of banker with the modern progressive banker.

To be successful in the management of a bank to-day something more than the qualifications of a mere money-lender are required. The small banks could not have attained their present aggregate importance if they had been managed by skinflints. Progressiveness is no longer confined to the large city bank, but the manager of a a small country bank is quite often as liberal and broad-gauged as his larger brother in the great city.

Mr. White, as the context of his address shows, was not reflecting on the small banks, but on the contrary he was contending that they are on the whole apt to be solvent; but he attributed this tendency, in part at least, to what he called "the skinflint policy." But the solvency of the small bank probably rests upon a broader foundation than this. The small banker of to-day is a man who knows thoroughly the people with whom he deals; he has lived for many years in the town where he does business, and fully understands the business wants of the community. He is alive to every opportunity for the profitable expansion of his line of deposits and discounts, for if he failed to be, a progressive rival would step in and take these profits from him. There are nearly ten thousand small banks in the country to-day with resources mounting into billions of dollars. These institutions have promoted the prosperity of the country to an extent that would have been impossible had they been chiefly "in charge of skinflints." Competition in banking is now so keen that reasonable liberality is just as essential as in any other line of business, and this applies to the small bank as well as to the large.

MEXICO'S PROGRESS AND PROSPERITY.

Two striking examples of transition from ancient systems and feudal usages to the broad pathway of progress, civilization and industrial advancement will attract the attention of the student of history of a future day. These instances of almost magical transformation are furnished by countries widely separated geographically, and strangely contrasting in the matter of racial characteristics and intellectual aspirations. It need scarcely be said that Japan and Mexico are the countries to which reference is made. In the evolution of these two modern nations are to be observed many things in common. Both emerged from the vortex of revolution and anarchy, and at about the same time. The tyranny of the Shoguns had its counterpart in the oppression of the Viceroys. The low condition of the laboring class in Japan, who cultivated the land, was not radically different from that of the Mexican peon who, dependent upon his patron, the wealthy *hacendado*, had neither hope nor aim beyond the attainment of a meagre subsistence.

In both instances the time was ripe for a change, and the men qualified to lead in making it were ready.

The Mikado was one, Porfirio Diaz the other. Japan in a remarkably short space of time, with feverish haste, it may be said, has arisen from almost the lowest depth of national insignificance to a position of power and dignity, abreast of the times in all the varied spheres of activity, material and intellectual, which are expressed by the terms progress and civilization. Less feverish in the race, but with a will equally indomitable, the people of Mexico, guided by an enlighted but cautious executive, are well advanced upon the same paths.

In the case of Mexico, while great problems have been solved, and remarkable progress made in industrial development, in education, and in building up the nation's financial credit, much remains to be accomplished. The greatest obstacles have been overcome, however. The people have learned the advantages born of peace and industry. The old conditions have gone for ever. Henceforward the course is upward. No man who has a dollar invested in Mexico need fear for its safety on the score of future political disquietude.

There may be only one Diaz, but the lessons which he has taught his grateful compatriots cannot be unlearned. Mexico is indebted to President Diaz for a quarter of a century of peace, during which time as pacificator and administrator he has labored indefatigably and wisely for the best interests of his country. The results may be briefly summed up, although the account of the people's indebtedness to him is a long one. Political discord no longer racks the country. The ablest men of all parties labor with a common purpose—the material and moral advancement of the nation. Five hundred million dollars of United States capital have been invested in railways, mines, agricultural and industrial enterprises. The Republic has been bisected with railways, and now stands at the head of all the other Latin-American countries in the matter of mileage. The aggregate of the lines in operation, according to the President's last message, was 17,756 kilometers. New lines are constantly being built. The nation's credit has been established upon a firm basis; its bonds are eagerly bought by investors. The coffers of the money-lenders of the world open at the nod of the country's able financial minister. Drainage works and other sanitary improvements have been carried out in several cities; prodigious undertakings in the way of harbor betterments have been successfully brought to a close at important seaports, and inaugurated at others. The investment of foreign capital in a thousand lines of industrial activity has been invited and made secure. The cause of education has been carefully fostered. There is a schoolhouse in almost every hamlet. The church retains the people's respect, but it no longer wields political power. Cities have been modernized; electrical lighting and systems of traction transportation exist in all the larger municipalities. Improved methods of mining and agriculture have been introduced with success; manufacturing with the aid of modern machinery, and upon an extended scale, has been inaugurated in several lines. Mexico is an exporter of textiles to-day, and will be of steel rails to-morrow. Shoes, soap, perfumery, leather goods and a number of other manufactured articles, of excellent quality, are turned out in a score of cities where busy workers have learned to appreciate the satisfying rewards which wait upon intelligent efforts in peaceful pursuits. The Federal telegraph and postal systems have been developed to a high state of efficiency. As might be expected from a soldier so distinguished as General Diaz, in the long term of peaceful progress which the land has enjoyed, the possibilities of war have not been overlooked. Mexico's regular army of some 65,000 men is well-disciplined and well-equipped. Recently, steps have been taken towards the formation of the nucleus of a navy. But it is as a wise and judicious administrator, a nation builder, a leader of his people in the ways of peaceful achievement, rather than as a warrior, that President Diaz will loom in history. His illustrious services as a soldier will be dwarfed by his successes as a pacificator and as a statesman.

Expansion of the Banking Business.

The influx of foreign capital has naturally been followed by an expansion of the banking business in Mexico. This growth has been remarkable, as the following figures show. On the first day of March of this year there were in the Republic thirty banks with a bill circulation of $89,592,538, and capital of $94,150,000. There was $60,397,011 of silver coin on hand, and deposits amounted to $132,154,761; bills discounted, $125,600,162; loans on collateral, $68,102,094.

A noteworthy feature in connection with banking expansion has been the introduction of trust companies in the capital, with branches in the leading provincial cities. These institutions appear to flourish in their new environment, where in addition to the functions peculiar to them in the United States they solicit business as real estate and mining brokers. Some of the banks have Savings departments, and the rivalry for this class of business has been keen between them in the past.

The oldest and most important banking institutions in the City of Mexico are the National Bank of Mexico and the Bank of London and Mexico. Following is the statement at the close of business, April 30, of the present year:

Assets.	*National Bank of Mexico.*	*Bank of London and Mexico.*
Specie	$15,618,790.36	$10,447,638.24
Notes of other banks	2,986,997.00	361,251.00
Bills discounted	27,018,530.51	27,454,753.94
Loans on real estate guarantee	....	4,016,570.42
Loans on collaterals	23,493,827.55	11,710,749.86
Debtor accounts	38,456,925.13	6,058,527.53
Real estate, fixtures and furniture	688,584.32	322,079.71
Total assets	$108,263,663.87	$60,371,570.90
Liabilities.		
Capital paid up	$20,000,000.00	$15,000,000.00
Notes in circulation	27,211 220.00	19,523,455.00
Creditor accounts	53,364,992 23	15,556,617.85
Reserve fund	4,687,451.64	6,000,000.00
Prevision fund	2,000,000.00	....
Second prevision fund	1,000,000.00	....
Deposits on time	....	4,291,497.85
Total liabilities	$108,263,663.87	$60,371,570.70

Other banks make equally satisfactory exhibits.

Mexico's Growing Foreign Trade.

One of the best evidences of a nation's progress is that furnished by its trade with foreign countries. The totals of Mexico's foreign trade are constantly growing. In the eight months of the fiscal year 1902–1903, the country imported commodities to the value of $49,619,835.92, gold; an increase over the corresponding period of the previous fiscal year of $9,622,806.96; exports for the eight months first indicated aggregate $122,102,958.31, silver, an increase of $20,463,287.06. In one item only of the imports was there a decrease—that of animal substances. In the total of the exports the precious metals figure at $60,108,868.12.

Fluctuations in the Value of Silver.

One serious problem confronts the Government—that is the instability of the Mexican dollar, the unit of the country's financial system. The violent fluctuations in its value abroad are a source of worry and loss to every one interested in the country's development, and of acute perplexity to the Government. What a poor crutch this dollar is to rely upon in international trade is vividly demonstrated by the movement of exchange between the dates of April 17 and 28 of this year, here shown:

	Rate of exchange.		*Rate of exchange.*
April 17	256	April 23	248
April 18	255	April 24	236
April 20	252⅛	April 25	221
April 21	251⅛	April 27	222
April 22	251¾	April 28	222

The attention of the Government is now directed to this disturbing factor, and to the problem involved in giving to the peso greater stability. That a solution will be found, and that the right and best one, only those unfamiliar with the great obstacles to the country's advancement which the executive and his advisers have met and successfully overcome in the past, can for a moment doubt. The settlement of this important question may furnish to economic history another point of similarity in the progressive careers of Mexico and Japan.

John James Davies.

Durango, Mexico.

Forcible Collection of International Debts.—The fact that Venezuela and her pressing creditors have been able to agree upon the amount due to each of them, and upon a method of payment, should not close our eyes to the fact that our Monroe Doctrine as it stands to-day is a greater danger than it need be to us and to European States.

As the Monroe doctrine is now understood in Europe, every European nation feels free to resort to force in collecting a claim from a South American State without first proving to disinterested parties that the claim is just; although the doctrine, rightly understood, would require us to interfere, if we were in doubt as to the justice of the claim. By judging in its own case, and proceeding to violent collection of an alleged but unadjusted claim against a South American State, any European nation might involve all Europe and America in war. This fact constitutes an international disease, for the cure of which a new principle ought to be inserted in the law of nations, namely, that henceforth no nation shall proceed to violent collection of a claim against another nation without first proving to disinterested parties that the amount claimed is justly due. It is to the interest of all nations that such a principle shall be agreed upon, and that the Hague Court shall be selected as the judge in such matters.—*Gunton's Magazine.*

STATE BANKERS' ASSOCIATIONS.

REPORTS OF RECENT AND PROSPECTIVE MEETINGS.

COLORADO BANKERS' ASSOCIATION.

An interesting meeting of the Colorado Bankers' Association was held at Denver, June 17, 18 and 19. Ex-Governor Alva Adams was one of the speakers. He highly commended the banking laws in force in Kansas and Missouri, and said that it was only a question of time when Colorado would enact laws regulating State and private banks.

The following officers were elected: President, M. D. Thatcher, President First National Bank, Pueblo; vice-president, W. L. Bush, Cashier First National Bank, Idaho Springs; secretary and treasurer, G. H. Williams, President Mercantile National Bank, Pueblo. Delegates to the convention of the American Bankers' Association chosen were: Ex-Gov. Alva Adams, President Pueblo Savings Bank; F. G. Moffat, Cashier First National Bank, Denver.

A banquet at the Brown Palace Hotel was an enjoyable feature of the convention.

Next year's convention will be held at Pueblo.

FLORIDA BANKERS' ASSOCIATION.

At the annual convention of the Florida Bankers' Association, June 12, the following officers were chosen: President, J. T. Dismukes, President First National Bank, St. Augustine; vice-presidents, G. D. Munro, Cashier Quincy State Bank; J. M. Graham, President First National Bank, Gainesville; L. M. Fraleigh, Vice-President Madison County Bank, Madison; secretary and treasurer, J. D. Baker, Assistant Cashier National Bank State of Florida, Jacksonville; executive committee, E. W. Lane, President Atlantic National Bank, Jacksonville; H. G. Aird, Cashier State Bank, Jacksonville, and F. W. Hoyt, President First National Bank, Fernandina; legislative committee, E. S. Crill, L. C. Massey and G. W. Saxon. J. C. L'Engle, President of the State Bank of Florida, Jacksonville, was elected delegate, and W. B. Owen, Vice-President of the Commercial Bank, Jacksonville, alternate to the convention of the American Bankers' Association.

GEORGIA BANKERS' ASSOCIATION.

The twelfth annual convention of the Georgia Bankers' Association was held at Atlanta, June 17 and 18. There was a large attendance, including a number of bankers from other States. President F. D. Bloodworth, in his annual address, briefly reviewed the business progress of the country in the past six years. A notable feature of the convention was the address by Hon. William B. Ridgely, on "Gold Reserve National Bank Notes." This address is printed in full in another part of this issue of the MAGAZINE.

L. P. Hillyer, Cashier of the American National Bank, Macon, read his report as secretary of the association. It showed a membership of 194 banks, an increase of 36 since the date of the last convention.

A very able and instructive paper on the "Dishonesty of Bank Clerks" was read by Andrew J. Hansell, Cashier of the Bank of Randolph, Cuthbert, Ga. In concluding his paper, Mr. Hansell said:

"In closing, I beg to state, in justice to my fellow employes and associates, that the head of the greatest fidelity and bonding company in the whole world, Mr. H. D. Lyman, of New York, assures me that there is less dishonesty among bank clerks, proportionately to their number, than in any other occupation in life. I therefore consider it no mean privilege to count myself one of the most honest class of citizens on the face of the earth.

In the foregoing I have endeavored to show:

(1) That dishonesty has always existed.

(2) That it exists to-day without perceptible decrease, and will continue to exist in the future, since it has not decreased in the past.

(3) That the only cure for it is the improvement of the individual.

(4) That dishonesty in banks is not the fault of systems, and cannot be prevented thereby.

(5) That systems, while they cannot prevent dishonesty, deprive the dishonest, in a large measure, of the opportunity they seek.

(6) That our present remedy lies solely in the selection of employees and the maintenance of proper methods and safeguards."

Other topics discussed were: "Protest Law," by Oscar E. Dooly, Cashier Home Savings Bank, Macon; "A State Auditor," by W. D. Manley, Cashier Farmers and Traders' Bank, Atlanta.

The following officers were elected: President, S. B. Brown, President Albany National Bank; first vice-president, Miller S. Bell, Cashier Milledgeville Banking Co.; second vice-president, Oscar E. Dooly, Cashier Home Savings Bank, Macon; third vice-president, L. R. Farmer, President Davisboro Bank; fourth vice-president, J. E. Dunson, President La Grange Banking and Trust Co.; fifth vice-president, E. C. Smith, Cashier Griffin Banking Co.

Delegates to convention of American Bankers' Association: John H. Reynolds, President First National Bank, Rome; A. J. Hansell, Cashier Bank of Randolph, Cuthbert; C. D. Hurt, Cashier I. C. Plant's Son, Macon.

An entertainment and luncheon were given the visiting bankers at the Piedmont Driving Club and a banquet at the Kimball House. The entertainments were in charge of a local committee, composed of J. T. Orme, Thomas J. Peeples and Frank Hawkins. They were tendered a vote of thanks by the convention for their successful efforts in making the meeting an exceptionally pleasant one.

MAINE BANKERS' ASSOCIATION.

At the annual convention of the Maine Bankers' Association, held June 10, the following officers were elected: President, W. D. Mussenden, Treasurer Bath Trust Company; vice-president, E. G. Wyman, Cashier First National Bank, Bangor; secretary, John R. Gould, Augusta; treasurer, G. A. Safford, Cashier Northern National Bank, Hallowell; executive committee, S. C. Parcher, Cashier York National Bank, Saco; Thomas H. Eaton, Cashier Chapman National Bank, Portland, E. F. Berry, Cashier North National Bank, Rockland; E. L. Smith, Cashier National Shoe and Leather Bank, Auburn; R. D. Woodman, Treasurer Westbrook Trust Co., Westbrook.

MICHIGAN BANKERS' ASSOCIATION.

The fifteenth annual convention of the Michigan Bankers' Association was held at Pointe aux Barques, June 17 and 18. President George D. Morley, in his annual address vigorously attacked the laws of Michigan in regard to bank taxation. He stated that the present law, if enforced, would deprive savings investors of seventy-five per cent. of their income and would cause heavy withdrawals from the banks. He favored a wise law and its honest enforcement, instead of the present law, some of the provisions of which the taxing authorities were compelled to ignore.

Secretary Fred. E. Farnsworth reported that the association now numbers 279, a gain of twenty-one during the year. The membership is now the largest in its history. There are now 585 banks and banking institutions in Michigan.

Treasurer H. V. C. Hart, of Adrian, reported receipts from the former treasurer and from dues of $3,017.91. He had paid out $1,717.53, leaving a balance on hand of $1,300.38.

The subject of taxation was further discussed by State Tax Commissioner Freeman. He called attention to the fact that the present State Tax Commission has placed $450,000,000 additional on the tax rolls. He declared that $300,000,000 more ought to go on the rolls. Opposition hindered the speedy spreading of this amount, he said, but he promised that $100,000,000 more would be on the roll by October, 1903.

Wm. Livingston, of Detroit, spoke on fidelity bonds and burglary insurance. He strongly urged the adoption of the form of bond recommended by the Michigan Bankers' Association and the American Bankers' Association.

Hon. Charles N. Fowler, Chairman of the Banking and Currency Committee of the House of Representatives, made a strong address in favor of a credit currency.

William Livingston, President of the Dime Savings Bank, Detroit, was elected president for the ensuing year, and Orrin Bump, President of the Old Second National Bank, Bay City, and Scott Field, Cashier of the Merchants' Savings Bank, Battle Creek, vice-presidents. Treasurer Hart and Secretary Farnsworth were re-elected.

The social features were especially enjoyable and Pointe aux Barques was voted by all to be an excellent place to hold conventions. The bankers of Saginaw also extended a hospitable greeting to the visiting bankers. Next year's convention will be held at Detroit.

MINNESOTA BANKERS' ASSOCIATION.

The fourteenth annual convention of the Minnesota Bankers' Association was held at St. Paul, July 7, and 8, an especially interesting programme having been prepared.

A report of this convention will appear in next month's issue of the MAGAZINE.

TENNESSEE BANKERS' ASSOCIATION.

The thirteenth annual convention of the Tennessee Bankers' Association met at Lookout Inn, Chattanooga, June 22.

The convention was called to order by Vice-President T. J. Taylor, Cashier of the Bank of Martin, who presided over the meeting in the absence of President Buckingham, who was detained at his home in Memphis on account of illness.

The convention was opened by prayer by Rev. Dr. J. W. Bachman, after which Mayor Chambliss delivered the address of welcome on behalf of the City of Chattanooga. T. G. Montague, President of the First National Bank, followed Mayor Chambliss, delivering a brief address of welcome on behalf of the Chattanooga Clearing-House. F. O. Watts, President of the First National Bank, Nashville, responded on behalf of the bankers.

The secretary read a telegram from Hon. M. S. Buckingham, regretting his inability to be present at the convention on account of illness. He wished the association a successful meeting and gave assurance of his hearty co-operation in every movement inaugurated by the association.

The association adjourned to allow the State bankers' section the use of the hall. This section dispatched considerable business and listened to an able discussion of matters pertaining to State banks, by J. Arnold, President of the Bank of Cookeville.

At the afternoon session Secretary W. A. Sadd, President of the Chattanooga Savings Bank, read his report. No meeting was held last year, but at the convention two years ago the membership was but sixty; now there are 184 members.

F. O. Watts, President of the First National Bank, Nashville; Theo. G. Montague, of the First National Bank, Chattanooga, and C. O. Austin, of the National Bank of North America, Chicago, discussed the subject of fidelity insurance for bank employees. Mr. Austin explained the experiences of the bankers of Missouri, and showed how by co-operation many desirable improvements had been secured.

W. O. Jones, Assistant Cashier of the National Park Bank, New York city, made a brief address in which he spoke of the good work done by the Tennessee Bankers' Association.

T. R. Preston, President of the Hamilton Trust and Savings bank, of Chattanooga, read a highly interesting paper on State banks and State bank legislation.

S. H. Orr, general manager of the Nashville Trust Company, discussed the subject of trust companies and the laws relating thereto in the State of Tennessee. He pointed out many instances where the Legislature should take steps to repeal certain laws which were unnecessary and unjust.

At the second day's session Rollin P. Grant, Cashier of the New York National Exchange Bank, New York city, read a paper on bank money orders, and the subject was further discussed by H. E. Jones, President of the Dominion National Bank, of Bristol, and by I. B. Tigrett, Cashier of the Union Bank and Trust Co., Jackson.

On motion I. B. Tigrett, H. E. Jones and W. A. Sadd were appointed a committee to draft and put in immediate service a banker's money order for the State association.

F. A. Pattie, Cashier of the Bank of Winchester, read a paper on "The Country Banker," which was in part as follows:

THE COUNTRY BANKER.—BY F. A. PATTIE.

Mr. Edison once said "the least one knew about electricity the better he understood it." This cannot be said of the banking business, especially of country banking, as doubtless all present who are or have been country bankers, can testify. As it is not an uncommon thing for the country banker to be Cashier, paying and receiving teller, discount, collection and exchange clerk, it is absolutely essential that he be thoroughly familiar with every detail of his business. He must have a place for everything, keep it there, and then familiarize himself with these places.

A great many customers of country banks, especially out-of-town customers, object to being waited upon by anyone except the Cashier no matter how many efficient clerks he may have. This is perfectly natural, and you should see to it that all callers at your bank, whether customers or not, are given a hearty welcome, and are made to feel perfectly easy and at home. Greet them in a pleasant manner, and with a real warmth of feeling.

The country banker must necessarily put his heart into his business and must, of all men, be faithful to his routine of work. A few days, a week or a month from his desk removes him from the midst of his business, lessens his familiarity with its every detail in which lies his greatest strength. It is also necessary that he surround himself with stockholders and directors whose business ability and financial, as well as social, standing in the community have never been questioned, and who are ready and willing at all times to lend a helping hand in advancing the bank's interests.

The country banker to be successful must use some policy; he must also be a man of tact, and possessed with sufficient ability along this line to apply pressure where needed without giving offence and to say "no" when necessary without losing the customer. In many cases he must be indulgent and forbearing; while favor and benevolence are not as a rule attributes of sound banking, it cannot be denied that they have been the means of collecting, in full, many a note that could not otherwise have been paid, thereby cementing to the bank a lasting friend and probably a very valuable customer. But in all dealings he must not overlook the fact that he is serving both the bank and the customer.

The most important and most trying of all duties of the country banker is passing on notes offered his bank and granting loans to his customers. When a loan is applied for, especially by an out-of-town customer, the banker is supposed to be sufficiently acquainted with the financial condition of the party to give him an answer immediately. In many cases nothing short of this will suffice; while you are waiting until after dinner to make some inquiry or to refer the matter to your discount committee, he is probably arranging or has arranged with your neighbor for the amount needed, in which instance it will very likely be some time before he calls again. Nevertheless, utmost care should be observed in granting loans. And I do not mean to even intimate that the discount committee should be dispensed with, as it is a reserve that enables you to decline many a loan, retaining your customer who otherwise would become offended. When a loan is refused by a city bank, I understand no explanation is given or expected, further than that the paper was not approved or that their loans were full, and they could not handle it; that explanation is supposed to close the transaction. On the other hand, when an out-of-town customer presents a note to a country bank and one that he knows you know is good, and you hesitate, asking him questions, he thinks you are casting some reflection on his integrity or his ability to meet his obligations; in fact, he is surprised as "everybody knows him," and when you finally tell him that your loans are full, and that you do not care to increase them, the impression is immediately created in his mind that the bank is in a bad way, is entirely out of money and liable to break at any time. He never stops to consider for a moment that it is possible for a bank to have any limit to its loaning capacity, and in many instances doesn't hesitate to circulate in his neighborhood, the report that he applied to your bank for a loan and you actually didn't have the money.

The bank with which I am connected lost at one time deposits aggregating $3,300 as the direct result of refusing a loan of $100, on a good note, on the grounds that our loans were full. I presume it is needless to say that they haven't been full since. You will be criticized for making certain loans and also for refusing them. While it is impossible to follow any ironclad rule along this line, the banker who has the ability to turn down a customer sending him away with the feeling that in failing to secure the loan he has been shown a personal favor, has about solved the problem.

The banker is the only business man on earth who cannot, at times, ask his customers to wait. For him there is no waiting and no mercy. His obligations must be met the moment they are demanded, or his business career must end. His customers, or rather the customers of the country banker, do not meet their obligations promptly; in fact, they are not expected to. Who present has not been appealed to "to hold my note a few days," or gotten a note from an out-of-town customer saying: "I don't want to take the present price for my wheat, so will renew my note when I come to town," or "My hogs are not fat, please hold my note, and I will attend to it next 'first Monday.'" While you all know that "a few days" may mean any period of time from a week to twelve months, the country banker cannot do otherwise than cheerfully comply with such requests.

This is what the country banker must face every day. Accept deposits and determine what per cent. may be loaned and to whom, and still meet every obligation promptly. Determine what maturing loans shall be extended, and what reduced or collected in full. In addition to this he must familiarize himself with all the books and other stationery required by his bank, keep himself posted on prices of same, and make purchases when necessary. He must also see that the work of each clerk is performed in a satisfactory manner, and that strict economy is enforced, as it is unnecessary to use an enclosure blank requiring two-cent postage when a card would answer.

In conclusion, need I say that the country banker holds a most responsible position? With everybody's money in his safe, everybody's papers in his vault, and I might say everybody's secrets in his heart, it is not surprising that all his actions are closely watched and talked about by everybody in his community.

Resolutions were adopted favoring the Aldrich bill, fixing the membership dues at $5 irrespective of capital, thanking the Chattanooga Clearing-House and others for courtesies, and commending the work done by the officers of the association.

Officers were chosen as follows:

President—W. A. Sadd, President Chattanooga Savings Bank, Chattanooga.

Vice-President for East Tennessee—W. P. Lang, Cashier Cleveland National Bank, Cleveland.

Vice-President for Middle Tennessee—E. A. Lindsey, Cashier Merchants' National Bank, Nashville.

Vice-President for West Tennessee—E. A. Maddux, Cashier Fayette County Bank, Somerville.

Secretary—Samuel H. Orr, General Manager Nashville Trust Company, Nashville.

Treasurer—I. B. Tigrett, Cashier Union Bank and Trust Company, Jackson.

Members Executive Council for Term of Three Years—J. Arnold, President Bank of Cookeville, Cookeville; R. N. Hutton, Cashier Bank of Bellbuckle, Bellbuckle; T. R. Preston, President Hamilton Trust and Savings Bank, Chattanooga.

Members Executive Council for Term of Two Years—J. P. Gaut, President Holston National Bank, Knoxville; L. E. Ward, Cashier Bank of Collinsville, Collinsville, N. P. LeSueur, Cashier American National Bank, Nashville.

Members Executive Council for Term of One Year—J. T. Howell, Cashier Fourth National Bank, Nashville; R. L. Goolsby, Cashier Greenfield Bank, Greenfield; C. W. Schulte, President First National Bank, Memphis.

C. M. Preston, Cashier of the Hamilton Trust and Savings Bank, Chattanooga, and F. O. Watts, President of the First National Bank of Nashville, were elected to represent Tennessee at the next meeting of the American Bankers' Association, which will be held in San Francisco in October.

Upon motion of T. R. Preston the presidents of the association were made ex-officio members of the executive council.

After taking dinner at Lookout Inn the members of the association took a trip to Chickamauga Park as the guests of the Chattanooga Clearing-House. The afternoon was pleasantly spent in viewing the historic battlefield.

VIRGINIA BANKERS' ASSOCIATION.

The tenth annual convention of the Virginia Bankers' Association was held at Lynchburg, June 18 and 19, Oliver J. Sands, President of the American National Bank, Richmond, presiding. Addresses of welcome were made by N. R. Bowman, of Lynchburg, and Hon. John W. Daniel, United States Senator from Virginia, and J. B. McCabe, Vice-President of the People's National Bank, Leesburg, responded on behalf of the bankers.

President Sands then delivered his annual address, which was in part as follows:

President's Annual Address.—By O. J. Sands.

Generally the past year has been a prosperous one, still the banks have felt more keenly than for some years the inadequcy of our financial system, on account of its lack of flexibility, to meet the demands of our customers at certain seasons. A currency system that contracts when we need more money and expands when additional money is not necessary; a currency system which is controlled almost entirely by the price of Government bonds; a currency system that can only be contracted at the rate of three million dollars per month; a currency system that is not sufficiently profitable to the issuing banks to induce them to issue more than fifty per cent. of what they are permitted to issue; a currency system made to meet a great crisis in the financial affairs of a country emerging about forty years ago from the greatest civil conflict in the history of the world, which country has grown 300 per cent in population since that time, and whose wealth has increased in ten years over twenty-nine billions of dollars, is not the currency system needed to meet the changed conditions of this day. Nor is the Treasury system founded sixty years ago upon the prejudice of Andrew Jackson against the banks, which takes from the people the money and locks it up when it is most needed for the purposes of credit, a system such as this country needs to-day.

We bankers of the South know as well, or better perhaps, than any other people in this land that some system should be devised that will render the currency more elastic and that will give us a basis of credit that will expand and contract as the demands of business may require. We may have our vaults filled with the best securities of our section and still be unable to supply more credit to the most worthy business man or farmer because we had borrowed or rediscounted all our Eastern friends would let us have, or all that we felt it was prudent for us to borrow. It seems that the time for action has come, some profit gained from the experience of the past and some steps taken that will insure us a continuation of the prosperity which we have enjoyed, and which a kind Providence seems to have destined us, provided we do our part. George Washington said, "We ought not to look back unless it is to derive useful lessons from past errors, and for the purpose of profiting by dear-bought experience."

Our present bond-secured circulation has proved such a sound system that to disregard it and return to any general system of asset currency seems to me to be an experiment that this country is not ready to make. I venture to suggest, that if the present tax on circulation is withdrawn and thereby giving the banks some profit in circulation, that there will be an immense increase in our bond-secured circulation. The Treasury notes or greenbacks should be retired by the issuance of a low-rate bond. These Treasury notes have cost the Government more than the interest on bonds of a like amount at four per cent. and have been the source of much disturbance in times past.

Banks should then be permitted to deposit Government bonds to secure Government deposits without interest, and to be required to pay a small interest to the Government on Government deposits secured by other Government bonds; the Secretary of the Treasury depositing public moneys received from all sources in such depositaries as give satisfactory security. The provision for the retirement of only three million dollars per month should be repealed or changed so as to permit a larger amount of circulation to be retired when not needed; and some provision made for the issuing of a small amount of emergency circulation secured by deposits of approved securities with clearing-house boards under governmental authority, which emergency circulation should be taxed so high as to make it available only in times of great need. In my humble judgment if these changes could be made we would, without departing violently from our present system, so improve and enlarge its operation as to make it meet the needs of this great and growing country for a number of years to come.

It has been said that "unfortunately this most vital proposition depends, to a large extent, for its solution upon the action of Congress, and Congress is governed largely by the supposed political effect which such action may produce, that the first consideration of a Congressman is to secure his re-election, and therefore Congressmen want to know what their constituents think," and "as important as it is that our lawmakers shall agree upon a currency reform bill, of even more importance it is that banking men shall get together and agree upon what kind of measure is most desirable and will be acceptable to the banks. Such a measure must meet with the approval of the banking interest as a scientific and practical measure, but must be of such a character as to make its acceptance profitable to the banks. If banks cannot make money out of the transaction they will neither take out circulation nor accept Government deposits."

GROWTH OF BANKING IN VIRGINIA.

I have compiled from the reports made to the Comptroller of the Currency and from the reports made to the Auditor a statement showing the growth of the banking business in our State during the past two years:

April 24, 1901, number of State banks was 107; April 9, 1903, number of State banks was 137; an increase of thirty. April 24, 1901, number of National banks was forty-six; April 9, 1903, number of National banks was sixty-one; an increase of fifteen. April, 1901, banks and trust companies which do not make reports to Auditor or Comptroller, twenty-three; April, 1903, banks and trust companies which do not make reports to Auditor or Comptroller, twenty-eight; an increase of five; or a total increase in number of banks in two years of fifty.

State Banks.

	Capital.	*Surplus.*	*Deposits.*
April 9, 1903	$7,333,774.53	$4,476,236.96	$30,974,405.87
April 24, 1901	6,221,800.40	3,796,775.08	25,935,020.85
Increase	$1,111,974.13	$679,461.88	$5,039,385.02

National Banks.

	Capital.	*Surplus.*	*Deposits.*
April 9, 1903	$6,597,500.00	$5,782,632.05	$38,825,049.71
April 24, 1901	5,262,620.00	4,462,804.15	28,737,160.29
Increase	$1,334,880.00	$1,319,827.90	$10,087,889.42

Banks and Trust Companies which do not make reports.

	Capital.	*Surplus.*	*Deposits.*
April, 1903	$2,564,830.00	$1,181,596.00	$4,195,206.00
April, 1901	2,380,840.00	537,050.00	2,426,280.00
Increase	$183,990.00	$644,546.00	$1,768,926.00

Or a total increase in two years of: capital, $2,030,844.13; surplus, $2,708,835.78; deposits, $16,896,200.44.

Or an increase in capital in two years of about 20 per cent.; or an increase in surplus in two years of about 30 per cent.; or an increase in deposits in two years of about 30 per cent.

The remainder of President Sands' address dealt with the work of the association, State legislation, etc.

N. P. Gatling read his report as secretary, showing a membership of 180, an increase of seventy-six in the past year. Reports of committees dealing with State taxation, bank money orders, and financial legislation were read and ordered received. John M. Miller, Jr., Cashier of the First National Bank, Richmond, read a report as delegate to the New Orleans convention of the American Bankers' Association.

John F. Bruton, President of the First National Bank, Wilson, N. C., read an interesting paper on "The Country Banker," Geo. Bryan, of Richmond, spoke on "Banking Law," and at the second day's session, Geo. J. Seay, Cashier of the Petersburg Savings and Insurance Co., spoke on the Fowler and Aldrich bills, and E. C. Massie, of Richmond, spoke on "The Torrens System of Land Registration."

Resolutions were adopted favoring a uniform system of blanks for letter-heads, check, drafts, etc., and recommending the adoption of the Torrens system of registering real estate titles.

H. L. Schmelz, of Schmelz Bros., Hampton, was chosen president, N. P. Gatling, of Lynchburg, secretary, and H. A. Williams, of Richmond, treasurer.

WASHINGTON STATE BANKERS' ASSOCIATION.

The next annual convention of the Washington State Bankers' Association will be held in the city of Whatcom, Thursday, Friday and Saturday, July 23, 24 and 25, 1903.

The convention promises to be the most successful in the history of the association, and we hope you will arrange to have at least one representative of your bank present. The programme as thus far arranged will include the following addresses: President's address, Hon. Miles C. Moore; "The Theory and Practice of Banking," Geo. S. Brooke, Pres. Fidelity Nat'l Bank, Spokane; "Bank Money Orders," Edwin Goodall, New York city; "Asset Currency," Hon. E O. Graves, V.-Pres. Washington Nat'l Bank, Seattle; "The Country Banker," Thos. H. Brewer, Cashier Genesee Exchange Bank, Genesee, Idaho; "The Duties of a Banker," A. L. Mills, Pres. First Nat'l Bank, Portland, Oregon; "Clearing-House Emergency Circulation," Theo. Gilman, New York city; "The Trust Company and the Bank," Chas. S. Miller, Washington Trust Company, Seattle; "Where You're At—Fact and Prophecy," Geo. B. Burk, Cash. Henry Andrews & Co., Fairhaven, Wn.; "Bankers as Conservators of Credit," Benj. C. Wright, Editor "Finance and Trade," San Francisco.

The bankers and commercial organizations of the Bellingham Bay cities have arranged a very delightful social programme, the most novel part of which will be a visit by steamer to the great fish-traps and canneries of Puget Sound, affording the visitors an opportunity of seeing salmon caught literally by the tens of thousands.

Special entertainments will be made for the ladies who accompany the delegates, and they are, of course; cordially and urgently invited to attend.

Reduced rates will be extended by the railroads and steamboat lines. Further details will be sent later.

TACOMA, Wash. P. C. KAUFFMAN, *Secretary.*

WEST VIRGINIA BANKERS' ASSOCIATION.

The tenth annual convention of the West Virginia Bankers' Association was held at the Progress Club, Parkersburg, June 3 and 4. J. B. Finley, Secretary of the Citizens' Trust and Guarantee Co., welcomed the convention to Parkersburg on behalf of the local bankers. Mayor Allan C. Murdoch also made an appropriate speech of welcome. A response in the name of the convention was made by H. R. Warfield, Cashier of the Elkins National Bank. President J. D. Baines then delivered the annual address. He spoke of the progress and prosperity of the banks and other business interests of the State, but cautioned the bankers that such times were apt to beget undue speculation, which must be carefully guarded against.

Robert L. Archer read his report as secretary and treasurer of the association. It showed a membership of 153—the largest ever reported. In number the membership represents four-fifths of all the banks in the State and perhaps nine-tenths of the banking capital. The financial report showed a balance of over $1,000 on hand. Reports of other committees were presented relating to taxation and other matters.

At the second day's session an address was delivered by John J. Coniff on the "Evils of the National Bankruptcy Law." W. W. Mills, President of the First National Bank, Marietta, Ohio, spoke on "The Twentieth Century Banker," he said in part:

THE TWENTIETH CENTURY BANKER.—ADDRESS OF W. W. MILLS.

During such an era of prosperity and springing up of such a large number of banking institutions, it is natural that competition for new business has been keen. It seemed to me, possibly, that some of my brother bankers on this side of the river had recently formed the idea that their banking institutions were philanthropic enterprises, for I have noticed a disposition to give to the needy depositor a very large percentage of earnings in some instances in the way of interest. Possibly a bank may be a philanthropic institution in some regards, but it occurs to me that primarily a bank is established for the benefit of its stockholders and for the safeguard of its deposits and not for the purpose of giving a pleasant and safe opportunity for investment on the part of depositors. I refer now to commercial banks only. The Savings banks have a field peculiarly their own, and Savings banks are in a sense philanthropic institutions, and should pay to their depositors the very highest interest possible.

I have sometimes wondered, too, as to our methods of soliciting business—for I count myself one of you—in a sense an onlooker, yet I am also a participant in your affairs. For Southeastern Ohio and all of West Virginia are so tied together by a multitude of business bonds that our interests are practically identical; so I have wondered, in the keen competition for business, if we do not sometimes overstep the bounds of courtesy and good business breeding in our anxiety to win for our own institutions the business and clientage of prosperous depositors and business people.

We sometimes, too, are a little jealous of the success of other banks. The world is large; it is big enough for all of us, and West Virginia and Southeastern Ohio are large enough for you and me, and all of the fraternity to do business in and leave a little room for somebody else. So if it happens that somebody has a larger deposit line than we have or seems to be doing a larger business, let us not be jealous of his success, but rather let us glory in it, and advise the depositor, advise the business man, if he doesn't do business in our bank to do it in some other bank in the same community.

While looking over your State and considering such things as these my thoughts run far into the future, and I wonder of what manner of man the banker of the twentieth century is to be. The accomplishment of West Virginia, the building up of its enterprises and the development of its great resources, the construction of these magnificent financial institutions, have been accomplished practically in the nineteenth century. We are standing on the threshold of the twentieth. Of what manner of man, I say, is the banker of the twentieth century to be? We will all acknowledge at the outset that our business has a certain narrowing tendency. We become absorbed in it; we permit the business hours to overstep the usual hours for opening the bank doors and we toil early and late, intent upon building up our own institution. We are careless about the matter of vacation; we are indifferent about taking journeys into neighboring fields or States or countries, and so we are hemmed about by the four walls of our bank offices; our views are restricted and thus, I say, there is a narrowing tendency in the business. The banker, too, is in a measure an autocrat. He arbitrates, he assumes a great many things as arbitrator, and as an autocrat and as a leader of men, so that after awhile he sits back in his chair somewhat indifferent of all the outside world, anxious only to please himself, his stockholders and his customers. Thus there grows up in time in our bankers a narrow blighted life, unworthy the business, unworthy the high calling in which you and I are engaged. Some of the meanest, some of the most parsimonious, some of the smallest men that I ever met, and I say it with shame, have been men at the head of some of our banks. I think the meanest man I ever met on earth was the President of a National bank. I had business with him. I don't think he deserved a particle. I know our relations were soon closed. Such a man is a disgrace to his office and to his calling. When Shakespeare wanted to depict a mean, close-fisted, hide-bound character, he selected a banker and called him Shylock, and that name is to-day typical of all that is mean, not only in the banking fraternity, but in the whole business world.

The tendency, gentlemen, is to make bankers--to make you and me--men of this type. We are drawn to it every day; we must face it, and we must resist it and overcome it. If we do, we will be worthy to stand among our fellows as men, and worthy to set the pace for the bankers of the twentieth century.

In the first place, I believe that in the coming days education and thorough preparation for the business will be an absolute essential. I think that a study of banks and banking methods and banking law will become necessary to the banker of the twentieth century. He must be a man who shall give thought to the great problems that come before him daily. He must be one who is able to weigh the different propositions that come before him for consideration. He can only do it by a thorough course of training. Many in the business to-day are attracted to it by the money there is in it, or that they fancy there is in it. Such are not properly members of the banking profession. We all have gone into it for that reason, but it seems to me that the banker of the twentieth century must have a loftier idea than the mere money value of the profession he enters. We must study the best ideals of the public.

One hundred years ago Hamilton and Gallatin and Morris were the leading financiers of the country. To-day we have names, equally as eminent, conducting businesses vastly greater, whose lives are worthy of emulation. But it is well for us to study the lives of these ancient giants, and to get out of them that which will be helpful in this, the twentieth century.

BANKERS MUST BE PROGRESSIVE.

The second point: The twentieth century banker must understand—he must be thoroughly up to date. In other words, he must have an immense amount of up-to-dateiveness. He must realize that he is doing business in the present century, and not in the nineteenth century. Unless he does realize this and governs himself accordingly, he will be jolted off the car of progress and ground under its wheels.

Banking methods are undergoing an evolution. There is improvement all along the line, and the twentieth century banker must be in line with his fellows, or he will drop behind the procession. His office should be modern; it should have every equipment that the ingenuity of the architect and of man can devise for the facilitating of business and for the safeguarding of the valuables and securities placed in his hands. His books must be of the latest character; he must have the most improved methods of keeping his loans and discounts and looking after his credits, and of caring for his money, his bonds and the other property that is placed in his keeping. It is absolutely necessary that he be abreast of the times in all these things, and I regard this as one of the essentials of the twentieth century banker.

Another point: If that banker be in charge of the institution with which he is connected, it seems to me he must set his face like flint against overworked and underpaid employees.

I believe that the boys in the office, and the girls, too, for the army of helpers amongst the young women is growing, should be adequately compensated for their labor. I believe that gentlemen doing business in the twentieth century ought not to be entirely satisfied with the meagre salaries that were paid years ago in the nineteenth century. The banks are making money, they are all making money, and let us not be satisfied—I am sure it cannot be true on this side of the Ohio River, but let those living and doing business on the other side of the Ohio River not be satisfied to have overworked employees being paid too little money.

Another point that the twentieth century banker must realize, and that is the great trust which rests upon him. We are all trustees, trustees for the communities in which we live. Into our hands is placed the keeping of large sums of money, amounting up to millions of dollars in many instances. The sums represent the savings in many instances of the widow and of those who are dependent to a certain degree upon the toil of others. But wherever the money comes from, it is placed into your hands and mine because the people have confidence in us. They make us their trustees, and therefore we should realize the high and noble and responsible trust that we assume in the eyes of the community, and, therefore, the twentieth century banker will be a man of clean hands and of pure heart. No money that comes across the counter belonging to the depositors will stick to his hands. The cleanness of his hands and the purity of his heart will prevent him from doing that in the management of the business that will militate in the slightest degree against the interests of those who have confidence in him, and who deposit their all in his keeping.

THE VALUE OF POLITENESS.

I would mention in this connection as an important feature of the twentieth century banker an important characteristic, that of courtesy. I wish to read to you the testimony of George G. Williams, the President of the Chemical National, who has recently died. You all know George G. Williams by reputation. He was a giant among men, and he was a man of clean heart and pure hands, and a man of the broadest sympathies, and at the same time deeply interested in all that was best for his community and for the world, and earnestly intent upon building up his bank and of accomplishing everything possible for its aggrandizement. Mr. Williams at one time used this language: "Too often the man who wears a shabby coat is subject to discourtesy, but I have observed that many a tattered garment hides a package of bonds, and that gorgeous clothing does not always cover a millionaire. A grain of politeness saves a ton of correction. No institution is too important to ignore the laws of courtesy. If I could speak twenty languages, I would preach politeness in them all. I speak in praise of politeness out of an experience of fifty-nine years in the banking business."

I place courtesy and politeness in our business as one of the essentials to success, and close to it I would place tact, that peculiar diplomacy which many of us lack, and still I believe that the successful banker would be a successful diplomatist if he should enter the school of politics.

In the fourth place, I believe that the twentieth century banker will have some leisure to give to other things outside of his business. I am glad to notice the greater interest in playing golf. I do not play golf myself, and so I can more properly speak of it; but I admire it and I am glad to see the names of many bankers who indulge in the sport. It is wholesome, it is helpful, it is life-giving. My own recreation goes along a different line, but I believe every banker is entitled to a certain amount of leisure, and particularly country bankers. And we are all of us country bankers.

I know some of our larger communities are ambitious and we expect to become great cities, and I hope we all will be, but I think the twentieth century possibly will not see even Marietta as large as New York or Chicago or Philadelphia. It may be that some of the cities on this side of the river will be so large, but I take it that none of them will be. So we are all of us country bankers. We live near to nature, and we ought to draw from the fountain head of nature the inspiration and help so that when the toil of the day comes, we will be strong enough to meet it manfully and with a brave heart. We should be like the duke wandering in the forest of Arden, who found tongues in trees, books in the running brooks, sermons in stones and good in everything.

The world is getting better in spite of the banking pessimist, for I have heard it stated on the platform that bankers as a class were pessimists. But in spite of that statement, my experience is that bankers are the greatest optimists in the world. I am sure country bankers are, and I attribute it largely because of their mind to get near to nature. If we can get next to mother nature, we will draw from it that help and inspiration that will make us optimists.

Another point: The twentieth century banker must remember that he is more than a banker. I believe that a man who is worthy to be at the head of any bank in West Virginia should realize that he is not only the President of that particular institution, but that he has something more to do than to preside over its councils and endeavor to run its affairs. He should be a man of broad life. He should not only be a man of diligent business. You remember the saying of a certain wise man many years ago: "Seest thou a man diligent in business, he shall not stand before mean men; he shall stand before kings."

The banker who is worthy of the position will not stand before mean men. His position is one of honor and prominence, responsibility and power, and he will stand up before the community, before the kings of the community, a man, every inch of him.

I adverted a few moments ago to the suggestion that some bankers were disposed to run their institutions as though they were philanthropic affairs. A bank, as I suggested, is established primarily for the benefit of its customers, and secondarily for the safeguard of deposits and the accommodation of business people in the matter of loans. It is established, in other words, for the making of business and the banker when behind his counter must not lose sight of this. He may be a man of deep sympathies, but the importance of questions devolving upon him at times makes it absolutely necessary for him to drown these sympathies for the time being.

BANKERS SHOULD BE IN TOUCH WITH THE PEOPLE.

He must temper his judgment with mercy, it is true, but while a bank is not a philanthropic institution, it does not necessarily follow that a banker may not be a philanthropist. In my opinion, brother bankers of West Virginia, every banker ought to be a philanthropist. A philanthropist is a lover of mankind. His position at the head of the institution should be used for the benefit of mankind. He must be broad-minded; he must be sympathetic; he must be quick to see opportunities to help, for the strong must bear the infirmities of the weak. It is a law that is just as certain as the ancient law of the Persians. The strong must bear the infirmities of the weak. If they will not bear the infirmities in one way, then they must in another.

The infirmities of the weak will tell upon the strong in the way of public hospitals, infirmaries, penitentiaries and all the multitudes of institutions of that character which are sustained by taxation. A banker should be broad-minded enough to see that the help he can extend as a friend of humanity, to the poor and the downtrodden will help to keep the poor and the downtrodden out of these asylums and penitentiaries. If he is not broad-minded enough to see this, he will find the taxes coming back heavier for him to pay. And so the banker should be a true philanthropist, building up in his community those various institutions that have to do for the well-being and uplifting of humanity—hospitals, if you please, churches, libraries—whatever in his judgment he sees will best serve the higher interests of his community. The responsibility rests upon him to help, and I believe that in the aggressive, onward, active interests of the twentieth century banker in the affairs of his institution, he will not neglect these broader interests outside. I believe also he should be interested to a certain degree in the politics of his State and in the civic affairs of his community. I do not mean by that that he should engage in the school, that he should attend the school, of politics, not by any means. But every banker intelligent enough to conduct a banking institution should be intelligent enough to have a comprehension, a broad comprehension, a wise comprehension, of all public affairs, and then act intelligently upon them.

And so, my friends, I have treated thus hastily of some of those features that I think should characterize the banker of this new century.

Banking is an honorable business. In its ranks to-day many of the best, purest minded, most successful business men are engaged. Many of the highest minded, purest Christian men are giving their time to conducting its affairs. Let us endeavor to make this business still more honorable and still more noble. Time was when the learned professions were considered to include only law, medicine and theology. But if we come up to the idea of the banker of the new century, it seems to me that we will have in the banking profession a profession that will be as honorable- it is to-day—but a profession calling for the most careful training and the highest type of culture, education and intelligence.

Officers for the ensuing year were chosen as follows: President, Robert L. Archer, Cashier West Virginia Savings Bank and Trust Co., Huntington; secretary and treasurer, C. T. Hiteshew, Assistant Cashier Farmers and Mechanics' National Bank, Parkersburg; vice-presidents: first districts, J. Lee Harne, Cashier First National Bank, New Martinsville; second district, Upton B. McCandlish, Cashier Davis National Bank, Piedmont; third district, Mason Matthews, Assistant Cashier Bank of Lewisburg; fourth district, I. O. Reynolds, Cashier Pleasants County Bank, St. Marys; fifth district, Edwin Mann, President First National Bank, Bluefields.

COMING CONVENTIONS.

American Bankers' Association	San Francisco	Oct. 20–23.
Illinois Bankers' Association	Rock Island	July 28 and 29.
Indiana Bankers' Association	South Bend	Sept. 9 and 10.
Iowa Bankers' Association	Davenport	July 28 and 29.
Kentucky Bankers' Association	Hopkinsville	Sept. 16 and 17.
New York State Bankers' Association	Saratoga Springs	Sept. 9 and 10.
Pennsylvania Bankers' Association	Pittsburg	Sept. 23 and 24.
South Carolina Bankers' Association	Columbia	October 6.
South Dakota Bankers' Association	Mitchell	July 8.
Washington Bankers' Association	Whatcom	July 23–25.
Wisconsin Bankers' Association,	Milwaukee	August 5 and 6

NOTICES OF NEW BOOKS.

[All books mentioned in the following notices will be supplied at the publishers' lowest rates on application to BRADFORD RHODES & CO., 87 Maiden Lane, New York.]

THE PRINCIPLES OF MONEY. By J. LAURENCE LAUGHLIN, Professor of Political Economy in the University of Chicago; author of "The History of Bimetallism in the United States," etc.; 8vo., pp. 550; price $3. New York: Charles Scribner's Sons.

As the dictionary and cyclopædia are frequently consulted to confirm our impressions of a word or a fact, and the thermometer to assure us that the temperature is either high or low, so it is necessary to have a reliable standard to which appeal may be confidently made to resolve our doubts as to the correctness of some monetary hypothesis or the soundness of the conclusions drawn from a particular set of facts.

Of Professor Laughlin's qualifications for preparing a complete and thoroughly scientific treatise on money, there can be no question. He has long ranked high as an authority upon the subject, and is especially equipped for treating of the economic aspects of monetary problems, a knowledge of which is quite indispensable to a correct understanding of the principles involved. It is probable that a thorough comprehension of monetary science will never be widely diffused; only the specialist and the expert can in an ordinary lifetime become conversant with all its abstruse ramifications. This renders all the more valuable the work of a trained economist who has devoted years of inquiry and research to a consideration of the leading phases of the monetary problem, and who has carefully recorded the results of his investigations.

While Professor Laughlin has given us a treatise marked throughout by evidences of ripe scholarship, he has avoided technicalities as much as possible and has sought to convey his message in a form cognizable to the layman. In this endeavor he has succeeded better than most authors who have covered the field of monetary theory and history.

We can not review the work in detail, but must be content with a reference to its general excellence. It will become, unquestionably, one of the most authoritative treatises on the subject ever published in this country.

Professor Laughlin has considered extensively the various sub-divisions of his main theme, such as coinage, the functions of money, credit, the standard, the quantity theory of money, legal tender, etc. The investigation in relation to prices is especially full and will be found one of the valuable features of the work.

We have found the treatment of deposit currency particularly interesting and instructive, and can not forbear quoting, if only a fragment:

> "The perfect elasticity of the deposit currency is its most valuable—as it is at the same time its least appreciated—characteristic. A vast amount of discussion and attention has been given to the establishment of an elastic bank-note system: the nineteenth century has put forth libraries of literature on the subject; and yet a medium of exchange based on commercial assets, and therefore perfectly elastic, is here with us, active, efficient, performing a mass of exchanges out of all proportion to the work of bank notes or any other form of money."

But neither quotation nor analysis can give an adequate indication of the scope and character of Professor Laughlin's work. It is an exposition of the principles of monetary science which every student of the subject should be eager to possess.

MONEY AND CREDIT. By WILBUR ALDRICH. New York: F. Tennyson Neely. Cloth, 12mo., pp. 187; price $1.25.

Although not a pretentious volume, we have rarely found in so small a compass so much interesting and valuable information relating to money, credit and banking. A striking merit of the book is its terseness and the lucidity of the style. Most books that treat of money only add to the mystification of the subject, but Mr. Aldrich has written what he has to say so simply and clearly that it is easily within the comprehension of anyone, whether versed in monetary lore or not. For the average reader who desires to gain a fair knowledge of some of the underlying principles of banking and subjects allied thereto, "Money and Credit" will prove one of the best works thus far published.

Mr. Aldrich occasionally expresses very positive opinions, but as a rule they are sound enough; *e. g.*, "Any ratio between gold and silver as fixed in coinage is really an attempt to fix their prices in terms of each other. If there is any fact plainly taught in history, it is that neither law nor custom can permanently fix the prices of any commodities in progressive communities." And again: "A check circulation based on bank deposits is the ideal rural circulation. It is necessarily handled carefully. It is elastic, created when wanted and retiring when no longer needed." But Mr. Aldrich does not think it possible for us to have an elastic bank-note currency in this country, at least under the present banking system. He says: "The elastic currency idea, as applied to bank notes, is just as fallacious and delusive as any other soft money notion that ever possessed the human mind." While many will regard this as a somewhat radical statement, others will agree with it. Mr. Aldrich shows unmistakably, however, that he realizes fully what is often obscured by agitators for currency reform—that the real currency of the country is composed of checks, drafts and the various forms of credit instruments arising from bank deposits.

TRUST FINANCE—A STUDY OF THE GENESIS, ORGANIZATION AND MANAGEMENT OF INDUSTRIAL COMBINATIONS. By EDWARD SHERWOOD MEADE, Ph. D., Wharton School of Finance and Economy, University of Pennsylvania. New York: D. Appleton & Co. 12mo., pp. 387; price $1.25 (postage 12 cents).

Dr. Meade has traced the rise and growth of these vast aggregations of capital and has fully explained their financial methods. He shows plainly what a trust is, and how it is promoted and managed. It was highly desirable that a work of this kind should be issued at this time when the trusts are the theme of general discussion, and "Trust Finance" will afford a vast fund of trustworthy information on the topics of which it treats.

We note that Dr. Meade seems to regard over-capitalization as something much less reprehensible than it is commonly held in public estimation, and he does not hesitate to speak of "certain positive benefits which accrue from the practice popularly known as 'watering' securities" (page 304). Applying this generalization to a concrete case, however, it seems to fall to the ground. Commenting on the United States Steel Corporation, the author says (page 334): "The capitalization of the steel trust represents the top wave of prosperity. It is not difficult to forecast the value of that capitalization if the wave should recede."

Dr. Meade points out the great diversity in the corporation laws of the various States and the evils incident to the practice of forming laws so that the State shall receive a maximum of fees and the corporation be subjected to minimum restrictions. He regards national control of corporations essential to a reform in the corporation laws.

This latest addition to the admirable "Business Series" in course of publication by the Messrs. Appleton is a worthy companion of the volumes heretofore issued.

WISCONSIN'S NEW BANKING LAW.

Editor Bankers' Magazine:

SIR: Having read your magazine for some years I did not know but it might be of interest to your readers to have presented to them a synopsis of the banking law passed by the Wisconsin Legislature, and I have given herewith a brief outline of its main features.

The new law is a radical change from the old one, doing away entirely with the private bank and permitting no one to use the word bank in connection with any other business than that carried on under a State or National charter. Following is a synopsis of the law:

Heretofore Wisconsin laws have caused private banks (unincorporated) to be examined by and to make reports to the Bank Examiner of the State, but from the passage of the present law, May 13, 1903, private banks are given until September 1 to incorporate as State or National banks, or cease the banking business; the new law providing that "No person, copartnership or corporation engaged in the business of banking in this State, not subject to examination and the provisions of this act, shall make use of any sign, letter-head, or other blanks indicating that such banking business is transacted, and it shall be unlawful for any such person to use the word 'bank,' 'banking,' or 'banker' with any other business than that of banking as defined and authorized under the provisions of this act."

The capital required is not less than $5,000 in towns and villages of less than 1,500 population; not less than $10,000 in towns with from 1,500 to 3,500; not less than $20,000 in cities hav- from 3,500 to 5,000 inhabitants; not less than $30,000 in cities of from 5,000 to 10,000, and not less than $50,000 in cities of more than 10,000 inhabitants, an exception being made of any incorporated State bank now in existence.

Reports to Examiner shall be not less than five per year, and at such dates as may be called for by the Bank Examiner.

Section 24 provides any bank may place its affairs and assets under the control of the Commissioner of Banking by posting notice on its front door: "This bank is in the hands of the Commissioner of Banking," and immediately on posting such notice all assets and property of such bank passes into possession of the Commissioner and acts as a bar to any attachment proceedings, and for each day the bank remains in the possession of the Commissioner he shall be paid ten dollars. This section is interpreted as a safety provision in case of an unexpected run on a bank, thus giving the officers time to convert securities into cash with which to meet the demands of depositors, the doors being opened at any time when the stockholders and the Commissioner desire to do so.

A reserve is required to be kept at all times, of fifteen per cent. of total deposits; such part of this sum as the directors may desire can be kept with other banks approved by the Examiner as "reserve banks," except that any bank designated as a "reserve bank" shall keep a reserve of twenty-five per cent. of its total deposits, either in cash or in banks, subject to approval by the Examiner.

The amount which may be borrowed by one firm is limited to thirty per cent. of the combined capital and surplus of the bank, with an exception made for bills of exchange and commercial paper actually owned by the borrowing firm, and a further provision that by a two-thirds vote of the directors the liabilities of a firm may be increased to a sum not exceeding the amount of capital and surplus of the bank upon approved securities.

Loans to officers, directors or employees are to be made only by vote of the directors, or upon satisfactory endorsement or security.

Loans upon real estate are confined to Wisconsin and adjoining States, and limited to an aggregate amount not in excess of fifty per cent. of the bank's capital, surplus and deposits.

Rediscounts are permitted, but the amount of collateral security given for money borrowed cannot be more than double the amount borrowed.

A surplus fund must be created by carrying to such fund not less than ten per cent. of the net earnings before any dividend may be declared, such surplus fund to be increased until it shall amount to twenty per cent. of the capital of the bank, at which point it must be maintained, or, in case of loss, reimbursed by taking half of the earnings for such period as may be necessary to reimburse it.

Bank circulation is provided for in case Congress shall hereafter remove the tax on such and sanction the issue of currency by State banks.

The liability of stockholders is limited to an amount equal to the face value of his stock.

The value of a bank's building is limited to twenty-five per cent. of its capital, excepting banks already doing business. GEO. D. BARTLETT, *Cashier Citizens' State Bank.*

STANLEY, Wis.

AN OLD AND FAITHFUL BANK EMPLOYEE.

[Address made by William H. Parsons in the board room of the Bowery Savings Bank, New York city, May 11, 1903, in presenting, on behalf of the trustees, a gold watch and chain to Henry Brushaber, in recognition of his connection with the bank for fifty years.]

MR. HENRY BRUSHABER: The honor of representing my fellow trustees has been conferred upon me, I assume, because I am, with the exception of the President, the longest in office of any one of the trustees now present.

In 1852 you entered the service of the Bowery Savings Bank, and, as I am informed, a lad of fifteen years of age. Fifty-one years of continued service in an institution in this city or in this great country of ours, demands recognition, and it has seemed to me that it might add to the interest, and possibly profit, of this occasion, if I should briefly recite some facts in the history of this bank.

It was chartered May 1, 1834, and the first meeting of the trustees was held at the Butchers and Drovers' Bank, on the 8th of May, at which Mr. Benjamin M. Brown was elected President.

On the 2d of June of the same year, the bank commenced active business, and received on the opening day, from fifty depositors, the sum of $2,020.00, and during the first month of its existence, $15,595.00. It was open a portion of each day: the services rendered by the officers were largely gratuitous, and the staff of employees included three clerks. During the first year of the bank's existence 531 accounts were opened, and the amount paid as interest to depositors for that year was $2,190.86. The management was and always has been conservative, and yet, year by year, there was steady growth, its influence widened, its depositors increased in numbers and in amount.

The bank was located in a three-story and attic dwelling house at 128 Bowery, being a portion of our present site. It occupied the first floor only, and, if I am not mistaken, Mr. Giles H. Coggeshall, of honored memory and spotless integrity, who served as secretary for about forty-nine years, occupied the premises over it as a dwelling; but, whether I am correct or not in this statement, it is true that for several years after he became Secretary the chest which is now placed upon the President's table as a relic of the past, contained all of the valuable securities of the bank, including the cash. This statement he made to me himself, and with a good deal of pride added, that not one penny of the assets of the bank had ever been lost or unaccounted for during this period.

You have served under eight of the ten Presidents, under three Secretaries, one of whom is now living. During your connection with the bank there have been one hundred and nineteen trustees, twenty-three of whom have resigned; the balance are either serving the bank to-day or their position as trustee has been vacated by reason of their death. Of these trustees the longest in service is our respected ex-President, Mr. John D. Hicks, who was elected more than forty-five years ago. The next longest in service is President William H. S. Wood, who has been a trustee for about thirty-one years.

In 1843 the deposits amounted to $537,222.00. Ten years later, and one year after your connection with the bank, the deposits were $3,020,161.00.

In 1863 over $6,500,000.00; in 1873 more than $29,000,000.00; in 1883 over $41,000,000.00, and in 1903 within a few dollars of $83,000,000.00. The total amount of dividends or interest paid to the depositors since the bank commenced business, inclusive of the amount paid or declared January 1, 1903, has been $68,092,637.30.

The growth of the Bowery Savings Bank is a forcible illustration of the adage, "Big oaks from little acorns grow;" the acorn was small, the oak has reached magnificent proportions, yet retains the vigor of youth.

I have been influenced in giving these details, in order that we all may realize the character of the institution with which you have been connected and identified. During this period of fifty-one years, under the administration of the several officers, and the large number who have served as trustees, it must be a gratification to you to know that in the estimation of all your record is that of an honorable, faithful and conscientious employee. There is no intimation, suggestion or breath of suspicion indicating that you have ever been derelict or slothful in the performance of your duty, or that the interests of this bank were not your first consideration. On the contrary, your record has been a most commendable one. You have been trusted, and you have not been found unworthy of the trust imposed in you.

In youth, in mature and advanced years, you have given to this bank the best you had, respected alike by officers, trustees, and last, but not least, by your fellow employees. This is a record of which you may be justly proud.

The members of the board of trustees desire that there should be recognition of such faithful service, and they have deputed me to present to you this testimonial of their respect, which they hope you will receive, and that the acceptance of it will give you as much pleasure as the giving of it has been to those who have contributed to its cost, and here let me say that this is not a gift of the bank, for we have no right to use the money which is intrusted to our care for such purposes. It is a gift from the individual members of the board of trustees, and I have no hesitation in saying that if the opportunity had been given to your fellow employees many of them would have availed themselves of the privilege by adding to the fund.

Allow me to express to you on behalf of the officers, on behalf of the trustees and of your fellow employees, the hope and wish that your life may be long spared, and whether or not advancing years and the state of your health will permit you to be as actively employed in the bank in the future as you have been in the past, we bespeak for it the same interest during the remaining years of your life as you have manifested during your active service as an employee, and I am quite sure the officers and the trustees of this bank will continue to manifest their interest in your welfare.

May I not, without impropriety or impiety, apply to you a commendation recorded in the Holy Scriptures, "Well done, good and faithful servant."

Opposed to Asset Currency.

Editor Bankers' Magazine:

SIR: With much trouble and study the undersigned had prepared an article to send to you upon "asset currency," and now cheerfully destroys it after reading your abler editorial upon the same subject in your June number. You are entitled to the thanks of all the bankers for your argument against the plan.

The eminent men who favor the scheme have stipulated for "reasonable limitation of volume and proper redemption" but they forget that they are trying to cancel absolute limitation and to substitute therefor some elastic barriers (cobwebs for protection and bulwarks against happiness) which will be greatly stretched or broken in times of emergency by pushing politicians.

Given the change in the law, and Mr. Bryan could enlarge Mr. Fowler's limit to suit the times; we would have more and more paper and less and less gold as wages went down.

Permit me to suggest that bankers shall consider two instruments of exchange which were used quite effectively in the panic of 1893—small checks and rediscounts. One restraint upon the free use of small checks could be removed by a stipulation upon deposit slips to the effect that the depositing of a check in a bank, it being payable at the same bank, would not operate as a payment until after that bank had written up its books the same day.

Perhaps cases occur where a bank has loaned to another bank without security and declines to make a second but secured loan to the same borrower because the new collateral cannot be held to cover the pre-existing debt—thus forcing the borrower to pay all and start afresh elsewhere.

If a depositor demands his balance of $5,000 and the banker endorses and delivers to him a good note of some merchant for $5,000, can the depositor hold this rediscount in case the bank goes into the hands of a Receiver?

Are these vital questions of law? If they are, then a little improvement in the selaw points might be more valuable in the aggregate than the so-called "elastic currency."

SACRAMENTO, Cal., June 15. FRANK MILLER.

Bank Notes Versus Checks.

LONDON, June 30.—"The Times" to-day refers to the address made by Comptroller of the Currency Ridgely at the Georgia Bankers' Convention, wherein Mr. Ridgely said: "Bank notes are the best possible form of currency for the business of a community if made properly elastic and responsive to demand."

"The Times" says this is true enough if the special position of the United States is above consideration, but as a general proposition it is far from true. The use of bank notes, the article continues, is at best a clumsy way of doing business compared with the system of checks existing in England.—*New York Times.*

CONDITION OF THE NATIONAL BANKS.

Abstract of reports of condition of National banks in the United States on February 6, April 9 and June 9, 1903. Total number of banks: April 9, 1903, 4,845; Feb. 6, 1903, 4,766; June 9, 1903, 4,939.

RESOURCES.	*Feb. 6, 1903.*	*April 9, 1903.*	*June 9, 1903.*
Loans and discounts	$3,350,897,744	$3,403,217,618	$3,415,045,751
Overdrafts	35,721,746	29,920,759	27,258,743
U. S. bonds to secure circulation	342,071,460	343,119,320	368,941,370
U. S. bonds to secure U. S. deposits	134,339,030	131,984,170	152,588,925
Other bonds to secure U. S. deposits	17,665,067	17,365,252	....
U. S. bonds on hand	9,414,750	10,044,275	8,076,020
Premiums on U. S. bonds	14,189,052	14,779,570	14,238,173
Stocks, securities, etc	511,260,365	517,410,083	521,928,417
Banking house, furniture and fixtures	100,010,991	101,578,097	102,244,612
Other real estate and mortgages owned	21,398,452	21,370,412	21,845,669
Due from National banks	271,988,371	263,835,801	711,844,329
Due from State banks and bankers	92,465,790	94,052,977	90,068,935
Due from approved reserve agents	479,724,850	454,802,717	22,189,625
Internal-revenue stamps	148,847	97,013	....
Checks and other cash items	23,845,816	22,827,859	....
Exchanges for clearing-house	214,496,241	201,934,216	227,580,488
Bills of other National banks	23,394,425	24,619,614	27,625,685
Fractional currency, nickels and cents	1,633,212	1,579,272	1,611,235
Specie	417,572,146	389,081,521	388,616,377
Legal-tender notes	153,025,573	147,133,318	163,592,829
Five per cent. redemption fund	16,660,945	16,580,783	17,808,748
Due from Treasurer U. S.	2,848,275	2,957,839	3,834,163
Total	$6,234,773,157	$6,212,792,489	$6,286,935,106
LIABILITIES.			
Capital stock paid in	$731,275,237	$734,903,303	$743,506,048
Surplus fund	351,140,285	354,033,637	359,053,429
Undivided profits, less expenses and taxes	165,831,828	177,089,346	183,130,107
National bank notes outstanding	335,226,236	335,093,791	359,261,109
State bank notes outstanding	42,781	42,781	42,781
Due to other National banks	673,090,724	640,761,449	660,959,960
Due to State banks and bankers	298,878,012	295,049,952	551,286,533
Due to trust companies and Savings banks	269,502,545	253,622,374	....
Due to approved reserve agents	30,795,257	28,489,879	....
Dividends unpaid	1,291,510	1,234,119	1,541,898
Individual deposits	3,159,534,591	3,168,275,260	3,200,993,509
U. S. deposits	140,493,423	140,677,485	179,693,054
Deposits of U. S. disbursing officers	7,341,264	7,350,577	7,717,111
Bonds borrowed	42,219,112	43,029,101	....
Notes and bills rediscounted	6,068,612	6,477,639	8,263,969
Bills payable	16,853,225	18,524,595	20,495,253
Liabilities other than those above	5,188,508	8,137,194	10,990,320
Total	$6,234,773,157	$6,212,792,489	$6,286,935,106

BANKING AND FINANCIAL NEWS.

This department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—The Irving National Bank has moved into its new quarters in the Irving building at Chambers and Hudson streets.

—On June 24 the directors of the Oriental Bank declared a dividend of five per cent., payable July 1. This is the one-hundredth consecutive semi-annual dividend declared by the bank. The capital stock has been increased by $150,000, making the total capital $750,000, and surplus over $1,000,000.

--At a meeting of the directors of the Seaboard National Bank June 25 C. C. Thompson, Cashier of the bank, was elected a director, and John H. Davis, for many years loan and discount clerk, was elected an Assistant Cashier.

—Negotiations have been practically completed for the merger of the Western National Bank of the United States and the National Bank of Commerce in New York. The substance of the plan is as follows: The board of directors of the National Bank of Commerce in New York, with a view to effecting a merger and consolidation of the Western National Bank of the United States in New York and the National Bank of Commerce in New York, has called a meeting of the shareholders of the Bank of Commerce to authorize the increase of the capital stock of that bank from $10,000,000 to $25,000,000, and the use of $12,500,000 of such increase of $15,000,000 of capital stock, to acquire the assets and business of the Western National Bank of the United States in New York in such manner as in effect to provide for the exchange of such additional $12,500,000 of capital stock share for share for the capital stock of the Western National Bank of the United States in New York, provided, however, that this bank shall increase its capital stock to $12,500,000, and that its net assets shall be approximately equal to $5,000,000 over and above such increased capital stock.

After the merger is effected the institution will be conducted under the name of the National Bank of Commerce, and its capital will be $25,000,000 and surplus $10,000,000.

The Bank of Commerce was organized Jan. 1, 1839, with an authorized capital of $5,000,000, all of which was duly subscribed. The original articles authorized a subsequent increase in the capital of $20,000,000—in other words, to $25,000,000, the current figure—and permitted additional subscriptions beyond this amount "by or on behalf of the United States of America or on behalf of any or either of the separate States," indicating an expectation of the original subscribers that the bank would become an institution of great capital and influence.

The bank became a National institution in 1865, a clause having been introduced into the National Bank Act to fit its case. It was granted a perpetual charter and its directors were made self-perpetuating—that is to say, they elect their successors, the stockholders having no vote for directors; but the stockholders are not liable for double the amount of their stock, as are other banks. The capital was at that time increased to $10,000,000 and the surplus to $2,000,000. In 1877 the directors were authorized to take necessary steps to reduce the capital to $5,000,000, as a result of the excessive and discriminating taxation "levied upon the banks of New York, resulting in injurious competition with them on the part of foreign corporations, and rendering it difficult, if not impossible, for the New York city banks, especially those of large capital, to earn even reasonable dividends for their stockholders."

The Western National Bank was organized in 1887, with former Secretary of the Treasury Daniel Manning as President and Conrad N. Jordan Cashier. Mr. Jordan subsequently became President. In 1897 the United States National Bank was absorbed, and John E. Searles, Jr., became President. The vigorous life of the bank may, however, be said to have commenced when the present President, Valentine P. Snyder, and the present Vice-President, Henry A. Smith, took hold. In December last the capital was increased to $10,000,000, and arrangements were made to take over the National Bank of the United States (a new name for the Hide and Leather Bank); and the Western National Bank has now a surplus of $3,267,534 and deposits of $77,649,962.

—At the annual business dinner and meeting of the Board of Consuls of New York Chapter, American Institute of Bank Clerks, held at Union Square Hotel, Thursday evening, June 18, M. Bauer was elected president and J. C. Martine vice-president; J. F. Flaacke and Robert Hockey being re-elected to the offices of treasurer and secretary respectively. C. C. Dickson was also chosen chief consul and N. D. Alling as consular secretary.

The appreciation of the members present was tendered to S. Ludlow, Jr., the retiring president, for his devotion to the interests of the chapter, and there was a general discussion with a view to the improvement and extension of the educational and social features of the institute work in New York.

—Lewis V. F. Randolph, former President of the Atlantic Trust Company, was recently elected President of the Consolidated Exchange.

—Charles F. Broach, Secretary of the Fidelity Title and Trust Co., Stamford, Conn., was recently chosen Cashier and director of the Equitable National Bank; Chas. A. Nones, treasurer of the Evansville and Terre Haute Railroad Co., was also elected President and a director of the bank. The capital is to be increased from $200,000 to $500,000.

—The directors of the Fifth Avenue Bank have, in addition to the regular quarterly dividend of twenty-five per cent., declared a special dividend of 100 per cent. on the $100,000 capital stock of the bank. The earnings for 1900, 1901 and 1902 were extraordinarily large. The stock sells for close to $4,000 a share, the last quotation for it being $3,725 bid, $4,000 asked.

—On June 17 Charles A. Peabody was elected a director of the National Bank of Commerce, to succeed the late Samuel Babcock.

—Henry W. Gennerich, President of the United National Bank, resigned that office at a meeting of the directors June 18.

—A special meeting of the shareholders of the Trust Company of the Republic was held June 27, and the capital reduced from $1,000,000 to $500,000. It is proposed to apply the reduction of the capital to meet losses incurred, the balance remaining to be turned into surplus account.

—Fred J. Reynolds, Vice-President of the First National Bank, Toledo, Ohio, was a recent guest at the Waldorf-Astoria. This bank is an exceedingly strong institution, having $500,000 capital and about $900,000 surplus and profits.

In addition to his prominent identification with banking Mr. Reynolds is interested in a number of other large and successful corporations of which he is either an officer or director. He is energetic in all his undertakings, and the remarkable prosperity of the various enterprises with which he is identified are evidences of his sound business judgment.

—The removal of the banking house of N. W. Harris & Co. to its permanent offices at the northwest corner of Pine and William streets was celebrated on the evening of June 6 by a dinner at Delmonico's. Covers were laid for fifty. Allen B. Forbes, resident partner at the New York office, was toastmaster, and the guests of honor were N. W. Harris, of Chicago, founder of the house, and Isaac Sprague, resident partner of the Boston office. Other partners present were E. E. Black, G. W. Harris and J. W. Edminson, all of the Chicago office.

NEW ENGLAND STATES.

Boston.—At a meeting of the board of directors of the National Exchange Bank, Boston, held June 15, W. R. Mitchell was appointed an Assistant Cashier of the bank.

—The Massachusetts National Bank, which is among the oldest banks in the country, having been incorporated in 1784, will be merged with the First National Bank.

—Governor Bates in his message vetoing the bill to modify the law of last year, requiring the separation of National and Savings banks, sets forth that the provision of last year's law, requiring the separation of such banks, "was neither hasty nor ill-considered legislation, but was the result of a demand that had been growing for years for a complete separation of banking institutions. This law was placed on the statute books after long agitation, and after it had been recommended for over a period of fifteen years by the Savings Banks Commissioners and its necessity demonstrated by experience."

—The Boston National Bank Cashiers' Association has elected the following officers for the ensuing year: President, Charles H. Ramsay, Cashier Winthrop National Bank; vice-president, Joseph H. Foster, Cashier Atlas National Bank; secretary, Henry F. Smith, Cashier National Shawmut Bank; treasurer, Samuel A. Merrill, Cashier Mechanics' National Bank.

Executive committee: Frederick H. Curtis, Cashier Massachusetts National Bank; Arthur P. Stone, Assistant Cashier National Shawmut Bank, and William F. Edlefson, Cashier Eliot National Bank.

—Directors of the Old Colony Trust Co. have been authorized to issue $500,000 of new stock.

—A controlling interest in the Mount Vernon National Bank has been acquired by Otis, Wilson & Co., of Chicago.

To Supervise Trust Companies.—The Connecticut General Assembly has passed a bill vesting in the Bank Commissioners supervision over trust companies. The commissioners are directed to make examinations into each department of every trust company of the State. All the reports which trust companies now make to the Insurance Commissioner will, under the new law, be made to the Bank Commissioners, and all the duties imposed by the general statutes upon the Insurance Department with reference to trust companies are transferred to the office of the Bank Commissioners.

Maine Banking Institutions.—On April 25 the fifty-one Savings banks of Maine reported deposits of $74,509,110, compared with $73,102,924 on October 25, 1902. In the same time the resources have increased from $77,858,815 to $79,673,069. The resources of the trust and banking companies on April 25 were $17,450,050, a slight increase compared with the figures for October 25, 1902.

Portland, Me.—The Maine Savings Bank, organized in 1859, has had a very substantial and steady growth. Its deposits now amount to $9,274,000; reserve fund, $427,500; undivided profits, $474,041; interest, $154,958; total number of depositors, 24,909.

The officers and directors at the present time are: President, Eben Corey; Secretary and Treasurer, Alpheus G. Rogers. Trustees: Eben Corey, Charles O. Bancroft, Leander W. Fobes and Alpheus G. Rogers, all of whom have been in full charge, substantially, for many years.

About the first of last December the bank moved into its new fire-proof building. This structure is thoroughly modern and is equipped with the latest and best devices for insuring safety and convenience.

Providence, R. I.—The City Savings Bank has effected an arrangement by which its accounts will be taken over by the Old National Bank, a savings department of the latter institution issuing pass books to the depositors in the City Savings Bank in exchange for the pass books they held when the merger was consummated. The City Savings Bank, under this plan, will go out of business as a separate institution. Its depositors in making the transfer of accounts will not lose any interest.

MIDDLE STATES.

Philadelphia.—At a stated meeting of the board of directors of the Union National Bank, June 26, W. H. Carpenter was elected Vice-President. Mr. Carpenter still retains the office of Cashier.

—The Philadelphia National banks and the trust companies hold more than $505,000,000 deposits, the largest sum on record; and they have a surplus of $75,294,000. The loans are above $261,000,000.

There are eight National banks having deposits ranging from $11,000,000 to $36,000,000, and the net profits of most of them were very handsome. The largest bank—the Fourth Street—earned $567,959 on its $3,000,000 capital stock, or about eighteen and one-half per cent.

The combined capital stock of the thirty-one National banks is $21,225,000. The Girard and the Farmers and Mechanics' each has $2,000,000. The Girard's profits for the year were $404,876, or a little better than twenty per cent. The Central National earned more than thirty per cent., its capital being relatively small—$750,000.

—William W. Price, manager of the collateral loan department of the Merchants' National Bank, has been elected Cashier of the Kensington National Bank, and entered upon the duties of the new position July 1. Mr. Price has been at the Merchants' since December, 1897. Previous to that time he he was paying teller and Acting Cashier of the Chestnut Street Bank, and before that time was with the Philadelphia National. He succeeds to the position made vacant by the death of Henry McConnell.

—Redmond, Kerr & Co. succeed Graham, Kerr & Co., dissolved.

Pittsburg.—Banking matters in this city are undergoing important changes in the direction of the consolidation of a number of large institutions. The banks and companies lately reported as being likely to merge include the following: Farmers' Deposit National Bank, Colonial Trust Co., American Trust Co., Pennsylvania Trust Co., Columbia National Bank, Tradesmen's National Bank, Colonial National Bank, Germania Savings Bank, Freehold Bank, and the Reliance Life Insurance Co. Their combined capital is $7,650,000; surplus and profits, $14,052,670; deposits, $47,294,587, and total resources, $73,765,112.

Details of the consolidation plan have not been made public; but it is expected that the

Farmers' Deposit National, which is reported to have secured control of the banks and companies named, will place some of them in liquidation—in other words, will absorb them.

—R. J. Stoney, Jr., has compiled a statement showing the remarkable growth of banking in this city in the past year. The ninety National and State banks and trust companies have total resources exceeding $411,000,000, an increase of nearly $63,500,000 in the past twelve months.

—Control of the First National Bank, of Allegheny, has been acquired by the Federal National Bank, of Pittsburg. There is to be no merger, but both banks will be continued, their relations being closely affiliated.

—The capital stock of the Safe Deposit and Trust Co. will be increased from $2,000,000 to $3,000,000.

—A twenty-story bank and office building will be put up by the Diamond National Bank.

Buffalo, N. Y.—Eben O. McNair and others have incorporated the Commonwealth Trust Co. with $500,000 capital.

SOUTHERN STATES.

Nashville, Tenn.—On June 9 the National banks of this city reported total resources amounting to $12,507,266, compared with $10,203,997 on July 15, 1902.

Richmond, Va.—On account of the steadily increasing business of the American National Bank, the directors and stockholders decided to increase the capital stock from $300,000 to $400,000, and at a recent meeting of the stockholders they authorized the directors to sell the $100,000 additional stock at $125 per share, which will make the surplus $100,000. The entire amount of the new stock was immediately taken by present stockholders, which is excellent evidence of the popularity of this successful bank.

Lenoir, N. C.—On May 21 the Bank of Lenoir issued the following circular letter:

"Gentlemen: This bank, which has been a private bank since beginning business January 1, 1894, has recently taken out letters of incorporation in compliance with the terms of an act of the recent State Legislature requiring all private banks to incorporate. There being at this time neither the necessity for increasing our capital, nor the desire on the part of the management to evade their former personal liability, this bank has had incorporated into its recently granted charter the following section, which is self-explanatory:

'Sec. 8. For the ample protection of depositors, the stockholders of this corporation, each for himself or herself, voluntarily assume a liability for all obligations of said bank bank equal to ten (10) times the par value of the shares of its capital stock which they respectively hold.'

The bank's present capital is $10,000; undivided profits, $15,000; deposits, $110,000, and loans, $100,000."

WESTERN STATES.

Chicago.—Tuesday, June 16, closed the first year's business of the National Bank of North America, Chicago.

The deposits of the bank at the close of the first day's business amounted to $3,244,367.51. At the close of business June 16, just one year from the date of opening, the deposits were $11,721,901.03.

The undivided profits at the close of business June 16, 1903, amounted to $133,617.49, which represents the net earnings of the bank after paying all expenses of organization and operating expenses of every kind, and after writing off $16,778 on account of furniture and fixtures and premium on United States bonds. No dividends have as yet been paid, and the policy of the bank will be to carry to undivided profit account the earnings for the first eighteen months of its existence, beginning with January 1, 1904, to accumulate the earnings for dividend purposes.

The total assets of the bank at this time amount to $14,855,418.52.

—Stockholders of the Western State Bank voted on June 18 to increase the capital from $500,000 to $1,000,000, and also voted to change the title to the Western Trust and Savings Bank, and to absorb the business of Otis, Wilson & Co.

—Wm. Wallace Hill, formerly Secretary of the Continental National Bank, has been appointed Western representative for Redmond, Kerr & Co.

Waterloo, Iowa.—The capital of the Leavitt & Johnson National Bank will be increased from $100,000 to $200,000, the new shares to be sold at a price which, with the present surplus will bring the surplus account up to $50,000. This enlargement of the capital is made necessary by the large growth in the bank's business. This institution has a successful history, extending over a period of forty-seven years.

Terre Haute, Ind.—The Terre Haute Trust Company is having a very satisfactory growth, its savings deposits having increased from $12.948 on March 31, 1901, to $209,000 on May 30, 1903. Net profits for the year were $5,525 in excess of those for the previous year.

Officers of the company are: President, I. H. C. Royse; Vice-President, John Cook; Secretary, F. C. White; Assistant Secretary, C. M. Connelly. The report of the company for May 31 shows assets amounting to $576,549.

Minnesota—Maturity of Commercial Paper.—The following law was passed at the recent session of the Minnesota Legislature:

"An act abolishing days of grace and fixing the maturity of negotiable instruments and other evidences of indebtedness.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. No promissory note, draft, 'not drawn at sight,' check, acceptance, bill of exchange or other evidence of indebtedness, shall be entitled to days of grace, but the same shall be payable at the time fixed therein without grace.

Sec. 2. All promissory notes, drafts, checks, acceptances, bills of exchange, or other evidences of indebtedness, falling due or maturing on Sunday or on any legal holiday, shall be deemed due or maturing on the succeeding business day; and when two or more of these days come together, or immediately succeed each other, then such instrument, paper or indebtedness shall be deemed as due or maturing on the day following the last of such days.

Sec. 3. All acts and parts of acts inconsistent herewith are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after June 30, 1903."

Indianapolis, Ind.—The American National Bank, which opened for business on February 4, 1901, reported total deposits $5,302,216 on June 9 last.

There has been an increase of $1,221,834 in the bank's resources since April 9.

Cleveland, Ohio.—The consolidation of the Euclid Avenue National Bank and the Park National Bank is announced, the new bank to operate under the name of the Euclid-Park National Bank, with a capital of $1,500,000, surplus $500,000.

PACIFIC SLOPE.

Seattle, Wash.—The directors of the Seattle National Bank and the Boston National Bank have voted to consolidate their interests and to form a new institution, with a capital and a surplus of $400,000, taking the name of the Seattle National Bank. The combined deposits of the two banks, according to their last statement, aggregate $3,397,000.

Portland, Ore.—Deposits of the National banks of this city on June 9, were $12,895,929, compared with $10,517,941 on April 30, 1902.

San Francisco.—At a meeting of the shareholders of the Western National Bank, June 3, it was unanimously voted to increase the capital stock from $200,000 to $500,000.

Failures, Suspensions and Liquidations.

Alabama.—On June 11 the Bessemer Savings Bank and the Bank of Commerce, Bessemer, were placed in the hands of Receivers. The President of the Bessemer Savings Bank, T. J. Cornwell, is reported missing, and he is said to have lost a large amount in speculation. The Bank of Commerce is reported to have closed to avoid a sympathetic run and the sacrifice of its assets.

Indiana.—The Citizens' Bank, of Milton, closed June 25, and E. E. Kessler, the managing officer, is said to have disappeared. Depositors will probably lose heavily.

Maryland—BALTIMORE.—The City Trust and Banking Co. closed June 7 and was placed in charge of Receivers. Liabilities are placed at about $500,000. This company did a commercial and Savings bank business and general warehousing. It was reorganized a few months ago.

Minnesota—ST. PAUL.—At a meeting of the stockholders of the St. Paul Title and Trust Co., June 2, it was decided to place the company in liquidation. The statement of the company showed a surplus of $65,000 and $7,000 cash on hand, and it is expected that the assets will be sufficient to meet the $250,000 of capital stock. Business has not been profitable of late and the stockholders concluded to place the company in liquidation.

Missouri.—The Skidmore Bank, of Skidmore, made an assignment June 9.

New York.—W. J. Shults & Co.'s bank at Cohocton, suspended June 24.

Oklahoma.—Recently the Bank Commissioner closed the banks at Indiahoma, Sterling and Hollis, of which R. R. Connella was President.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report. Names of officers and other particulars regarding these new National banks will be found under the different State headings.

NATIONAL BANKS ORGANIZED.

6786—First National Bank, Greenwood, Arkansas. Capital, $25,000.
6787—First National Bank, Mapleton, Minnesota. Capital, $25,000.
6788—Wells National Bank, Wells, Minnesota. Capital, $30,000.
6789—First National Bank, Miller, South Dakota. Capital, $25,000.
6790—First National Bank, Harrisville, West Virginia. Capital, $100,000.
6791—Citizens' National Bank, Cleburne, Texas. Capital, $100,000.
6792—First National Bank, Tyndall, South Dakota. Capital, $25,000.
6793—First National Bank, Coeur d'Alene, Idaho, Capital, $25,000.
6794—First National Bank, Wilson, Pennsylvania. Capital, $25,000.
6795—First National Bank, Madison, Minnesota. Capital, $25,000.
6796—Union National Bank, Braddock, Pennsylvania. Capital, $200,000.
6797—Condon National Bank, Coffeyville, Kansas. Capital, $100,000.
6798—People's National Bank, Roanoke, Virginia. Capital, $100,000.
6799—First National Bank, Shingle House, Pennsylvania. Capital, $25,000.
6800—Fayette City National Bank, Fayette City, Pennsylvania. Capital, $75,000.
6801—First National Bank, Morgan City, Louisiana. Capital, $25,000.
6802—Arcadia National Bank, Newark, New York. Capital, $50,000.
6803—First National Bank, Aitkin, Minnesota. Capital, $25,000.
6804—First National Bank, Spokogee, Indian Territory. Capital, $25,000.
6805—Genoa National Bank, Genoa, Nebraska. Capital, $25,000.
6806—Industrial National Bank, Pittsburg, Pennsylvania. Capital, $800,000.
6807—Landon National Bank, San Angelo, Texas. Capital, $100,000.
6808—First National Bank, Porterville, California. Capital, $25,000.
6809—State National Bank, North Tonawanda, New York. Capital, $200,000.
6810—First National Bank, Sour Lake, Texas. Capital, $25,000.
6811—American National Bank, Woodstock, Illinois. Capital, $50,000.
6812—Western National Bank, Hereford, Texas. Capital, $50,000.
6813—First National Bank, Bagley, Minnesota. Capital, $25,000.
6814—First National Bank, Emory, Texas. Capital, $25,000.
6815—Cairo National Bank, Cairo, Illinois. Capital, $100,000.
6816—First National Bank, Loveland, Ohio. Capital, $25,000.
6817—Mankato National Bank, Mankato, Kansas. Capital, $50,000.
6818—First National Bank, Beemer, Nebraska. Capital, $25,000.
6819—First National Bank, Toronto, Kansas. Capital, $25,000.
6820—First National Bank, Ontonagon, Michigan. Capital, $25,000.
6821—Massasoit-Pocasset National Bank, Fall River, Massachusetts. Capital, $650,000.
6822—Stockyards National Bank of North Fort Worth, Fort Worth, Texas. Capital, $100,000.
6823—Riverside National Bank, Riverside, New Jersey. Capital, $25,000.
6824—Potomac National Bank, Potomac, Illinois. Capital, $60,000.
6825—Central National Bank, Ocala, Florida. Capital, $50,000.
6826—First National Bank, Canadian, Texas. Capital, $100,000.
6827—First National Bank, Grove City, Ohio. Capital, $25,000.
6828—American National Bank, St. Paul, Minnesota. Capital, $200,000.
6829—First National Bank, Sharpsville, Pennsylvania. Capital, $80,000.
6830—First National Bank, Williamson, West Virginia. Capital, $50,000.
6831—Commercial National Bank, Uvalde, Texas. Capital, $60,000.
6832—National Bank of Ligonier, Ligonier, Pennsylvania. Capital, $50,000.
6833—Orange Growers' National Bank, Riverside, California. Capital, $50,000.
6834—Farmers' National Bank, Mayfield, Kentucky. Capital, $50,000.
6835—First National Bank, Citronelle, Alabama. Capital, $25,000.

6836—Twin City National Bank, Dennison, Ohio. Capital, $50,000.
6837—First National Bank, Osakis, Minnesota. Capital, $25,000.
6838—Boone National Bank, Boone, Iowa. Capital, $100,000.
6839—Marion National Bank, Marion, Virginia. Capital, $25,000.
6840—First National Bank, Balaton, Minnesota. Capital, $25,000.
6841—First National Bank, Logan, Kansas. Capital, $25,000.
6842—First National Bank, Hampton, Virginia. Capital, $50,000.
6843—Dennison National Bank, Dennison, Ohio. Capital, $60,000.
6844—Carmen National Bank, Carmen, Oklahoma. Capital, $25,000.
6845—National Bank of Chesapeake City, Chesapeake City, Maryland. Capital, $25,000.
6846—First National Bank, Paragould, Arkansas. Capital, $50,000.
6847—First National Bank, Canton, Mississippi. Capital, $50,000.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice:

First National Bank, Le Sueur Center, Minnesota; by H. A. Patterson, *et al.*
First National Bank, Spangler, Pennsylvania; by M. C. Wertonen, *et al.*
Norwood National Bank, Norwood, Massachusetts; by Geo. F. Willett, *et al.*
National Bank of Commerce, Amarillo, Texas; by J. L. Smith, *et al.*
First National Bank, Greenwich, Ohio; by Ambrose Frayer, *et al.*
National Loan and Exchange Bank, Columbia, South Carolina; by Edwin W. Robertson, *et al.*
First National Bank, Raymond, Illinois; by Edward Lane, *et al.*
Okmulgee National Bank, Okmulgee, Indian Territory; by John T. Stewart, *et al.*
First National Bank, Pearsall, Texas; by A. V. Harris, *et al.*
Farmers' National Bank, Kenyon, Minnesota; by McD. Williams, *et al.*
East Berlin National Bank, East Berlin, Pennsylvania; by I. S. Miller, *et al.*
First National Bank, Philmont, New York; by Geo. W. Vedder, *et al.*
First National Bank, Wehrum, Pennsylvania; by John A. Scott, *et al.*
Citizens' National Bank, Herndon, Virginia; by C. E. Kendrick, *et al.*
Merchants' National Bank, East St. Louis, Illinois; by James J. Mars, *et al.*
First National Bank, Kenedy, Texas; by J. L. Browne, *et al.*
Merchants' National Bank, Santa Monica, California; by Wm. Meade, *et al.*
First National Bank, Clinton, Oklahoma; by T. J. Nance, *et al.*
Staunton National Bank, Staunton, Virginia; by B. Estes Vaughan, *et al.*
Dennison National Bank, Dennison, Ohio; by M. Moody, *et al.*
First National Bank, Kennett, Missouri; by J. E. Franklin, *et al.*
First National Bank, Centralia, Missouri; by W. D. Shock, *et al.*
Farmers' National Bank, Hodgensville, Kentucky; by Charles J. Hubbard, *et al.*
American National Bank, Henryetta, Texas; by J. W. Sullins, *et al.*
Laurel National Bank, Laurel, Mississippi: by Edward D. Peirce, *et al.*
National Bank of Ellsworth, Ellsworth, Pennsylvania; by James W. Ellsworth, *et al.*
Farmers and Merchants' National Bank, Minneota, Minnesota; by E. I. Leeland, *et al.*
First National Bank, Fosston, Minnesota; by M. T. Dalquist, *et al.*
First National Bank, Wilburton, Indian Territory; by H. D. Price, *et al.*
First National Bank, Galeton, Pennsylvania; by John B. Coulston, *et al.*
Choctaw National Bank, Durant, Indian Territory; by I. B. Walker, *et al.*
Merchants' National Bank, Greene, Iowa; by E. W. Soesbe, *et al.*
National Bank of Commerce, San Diego, California; by Robert M. Powers, *et al.*
Germania National Bank, Milwaukee, Wisconsin; by Herman Fehr, *et al.*
First National Bank, Henning, Minnesota; by Wm. A. Lancaster, *et al.*
First National Bank, Coalport, Pennsylvania; by W. H. Denlinger, *et al.*
First National Bank, Mansfield, Pennsylvania: by M. E. Rose, *et al.*
First National Bank, Terra Alta, West Virginia: by Parley De Berry, *et al.*
First National Bank, Yorktown, Texas; by Wm. Eckhardt, *et al.*
First National Bank, West Allis, Wisconsin; by T. W. Spence, *et al.*
Sour Lake National Bank, Sour Lake, Texas; by W. T. Campbell, *et al.*
First National Bank, Equality, Illinois; by David Wiedemann, *et al.*
First National Bank, Elliott, Iowa; by H. E. Manker, *et al.*
Farmers' National Bank, Edinburg, Indiana; by Horace V. Goodrich, *et al.*
Yorktown National Bank, Yorktown, Texas; by Fritz Kraege, *et al.*
Texas City National Bank, Texas City, Texas; by A. B. Wolvin, *et al.*
First National Bank, Knox, North Dakota; by J. A. Minckler, *et al.*
City National Bank, Muskogee, Indian Territory; by Daniel W. Hogan, *et al.*
First National Bank, Saratoga, Texas; by A. L. Williams, *et al.*

First National Bank, Watertown, Ohio; by A. L. Gracey, *et al.*
First National Bank, Shanksville, Pennsylvania; by Jacob J. Walker, *et al.*
Henderson National Bank, Troy, Alabama; by J. C. Henderson, *et al.*
Clinton National Bank, Clinton, Oklahoma; by C. J. Benson, *et al.*
Alba National Bank, Alba, Texas; by C. H. Morris, *et al.*
First National Bank, Dillsboro, Indiana; by W. C. Wulber, *et al.*
First National Bank, Hughes Springs, Texas; by C. H. Morris, *et al.*

APPLICATION FOR CONVERSION TO NATIONAL BANKS APPROVED.

Neodesha Savings Bank, Neodesha, Kansas; into First National Bank.

NEW BANKS, BANKERS, ETC.

ALABAMA.

CITRONELLE—First National Bank; capital, $25,000; Pres., E. F. Ballard; Cas., H. O. McMain.

OPP—Covington County Bank capital, $50,000; Pres., John R. Kelly; Cas., N. S. Borland; Asst. Cas., E. E. Kelly.

ARKANSAS.

EARL—Bank of Earl: capital, $2,500; W. N. Brown, Jr.; Cas., Jno. M. Taylor.

GREENWOOD—First National Bank; capital, $25,000; Pres., G. N. Spradling; Cas., James F. Lawrence.

LINCOLN—Bank of Lincoln; capital, $5,000; Pres., W. S. Moore; Cas., T. L. McColloch.

OZAN—Bank of Ozan; capital, $10,000; Pres., J. S. Conway; Cas., Aug. B. Clark.

PARAGOULD—First National Bank (successor to Bank of Paragould); capital, $50,000; Pres., A. Bertig; Cas., J. H. Kitchens, Jr.

CALIFORNIA.

COMPTON—Bank of Compton; capital, $25,000; Pres., J. J. Horshman; Cas., E. E. Elliott; Asst. Cas., R. O. Hursey.

HEALDSBURG—Sotoyome Bank; capital, $50,000; Pres., Geo. H. Warfield; Asst. Cas., F. R. Haigh.

LATON—Laton State Bank; capital, $25,000; Pres., W. E. G. Saunders; Cas., C. A. Smith.

NEWMAN—Bank of Newman; capital, $37,500; Pres., E. S. Wangenheim; Cas., W. W. Giddings.

PORTERVILLE—First National Bank; capital, $25,000: Pres., W. Mentz; Cas., H. C. Carr.

RIVERSIDE—Orange Growers' National Bank (successor to Orange Growers' Bank); capital, $50,000; Pres., M. J. Daniels; Cas., H. T. Hays.

SAN BERNARDINO—San Bernardino Co. Savings Bank; capital, $27,500; Pres., E. D. Roberts; Cas., A. G. Kendall.

SELMA — Farmers' Bank; capital, $50,000; Pres., C. J. Berry; Cas., Jos. M. Smith; Asst. Cas., W. E. Street.

COLORADO.

DENVER—Ferris & Conaway.

WRAY—Yuma County Bank; capital, $12,500; Cas., P. J. Sullivan; Asst. Cas., M. Finch.

YAMPA—Bank of Yampa; capital, $15,000.

FLORIDA.

OCALA — Central National Bank; capital, $50,000; Pres., Herbert A. Ford; Cas., F. L. Watson.

GEORGIA.

SMITHVILLE—Bank of Smithville; Pres., W. S. Witham; Cas., Rowe Price.

IDAHO.

COEUR D'ALENE—First National Bank; capital, $25,000; Pres., Edward N. Lindberg; Cas., F. L. Wells.——Coeur d'Alene Bank and Trust Co.; capital, $50,000; Pres., J. J. Browne; Cas., Boyd Hamilton; Asst. Cas., C. J. Shoemaker.

RIGBY—Anderson Bros. Bank; capital, $10,000; Pres. and Cas., James E. Steele, Jr.

ILLINOIS.

BELLEVILLE—Belleville Bank and Trust Co.; capital, $150,000; Pres., Adam Karr; Cas., Nic Wuller; Asst. Cas., W. S. Heller.

CAIRO - Cairo National Bank; capital, $100,000; Pres., E. A. Smith; Cas., Henry S. Candee; Asst. Cas., Ellis E. Cox.

DANA—Bank of Dana; (R. M. Pritchett.)

DONNELLSON—Bank of Donnellson; capital, $10,000: Pres., G. W. Mansfield; Cas., C. C. Mansfield.

DUNDEE—Dundee State Bank; Pres., David C. Haeger; Cas., Frank H. Reese.

KNOXVILLE—Knox County Bank; capital, $25,000; Cas., F. E. Wilson.

MARSEILLES—Home Savings Bank; Pres., W. A. Morey; Sec., F. T. Neff

MCNABB — Farmers' Bank; Pres., Henry Ream; Cas., John M. McNabb.

WOODSTOCK—American National Bank (successor to First National Bank); capital, $50,000; Pres., Geo. L. Murphy; Cas., W. C. Eichelberger.

POTOMAC — Potomac National Bank (successor to Bank of Marysville); capital, $60,000; Pres., L. C. Messner; Cas., Bart Rice.

INDIANA.

ASHLEY—Ashley Bank; Cas., G. N. Wickwire; Asst. Cas., Thos. S. Wickwire.

COVINGTON—Fountain Trust Co.; capital, $25,000; Pres., W. W. Layton; Sec., R. W. Miles.

GRANDVIEW—Grandview Bank; capital, $16,000; Pres., Geo. Wandel; Cas., Joseph Forsythe.

JASONVILLE — Citizens' Bank; capital, $10,000; Pres., Job Freeman; Cas., W. J. Freeman.

MICHIGAN CITY—Michigan City Trust and Savings Co.; capital, $60,000; Pres., Walter Vail; Sec. and Treas., Geo. T. Vail.

OSSIAN—Bank of Ossian; capital, $10,000; Pres., W. H. Rupright; Cas., E. H. Roe; Asst. Cas., T. A. Doan.

INDIAN TERRITORY.

CHICKASHA—Bank of Commerce; capital, $50,000; Pres., D. D. Sayer; Cas., C. T. Erwin.

EUFAULA—Eufaula Trust Co.: capital, $125,000; Pres., C. E. Foley; Sec. and Treas., W. W. Barrett.

GRANT—Bank of Grant; capital, $25,000; Pres., G. W. Dodd; Cas., M. A. Webb.

MUSKOGEE—Canadian Valley Trust Co.; Pres., Tams Bixby; Treas., W. S. Harsha; Vice-Pres. and Sec., Philip B. Hopkins.

SPOKOGEE—First National Bank (successor to First Bank); capital, $25,000; Pres., J. P. Boyle.——Bank of Commerce; capital, $5,000; Pres., N. T. Gilbert; Cas., E. E. Lewis.

TULSA—American Banking & Trust Co.; capital, $50,000; Pres., I. B. Woodbury; Cas., D. Koenig.

VIAN—Bank of Vian; capital, $10,000; Pres., I. H. Nakdimen; Cas., G. R. Scott,

IOWA.

AMES—Union Savings Bank; capital, $25,000; Pres., A. H. Munn; Cas., H. Westerman.

ARMSTRONG—People's Bank; Pres., C. F. Wenham; Cas., F. W. Ehred.

BLANCHARD—Inter-State Savings Bank; capital, $20,000; Pres., M. Bryant; Cas., J. P. Myers.

BOONE—Boone National Bank; capital, $100,000; Pres., E. E. Hughes; Cas., A. J. Wilson.

BOUTON—Dilenbeck Banking Co.; Pres., B. C. Dilenbeck; Cas., W. S. Arthurs.

CLARINDA—Clarinda Trust & Savings Bank; capital, $75,000; Pres., Wm. Orr; Cas., A. F. Galloway.

FREDERICKSBURG—State Savings Bank; capital, $15,000; Pres., F. S. Sloan; Cas., J. B. McCook.

LOWMOOR—Citizens' Savings Bank; capital, $15,000; Pres., J. H. Shaff; Cas., C. A. Wolfe.

ROCKWELL CITY—Rockwell City Savings Bank; capital, $25,000; Pres., Geo. R. Allison; Cas., B. E. Sebern.

TRACY—Iowa Savings Bank; capital, $12,000; Pres., W. T. Smith; Cas., J. B. Lyman; Asst. Cas., F. F. Rouze.

KANSAS.

COFFEYVILLE—Condon National Bank; Capital, $100,000; Pres., C. M. Condon; Vice-Pres., Chas. T. Carpenter; Cas., Chas. M. Ball; Asst. Cas., F. S. Mitchell.

ELK FALLS—Elk Falls State Bank; capital, $10,000; Pres., J. W. Farrow; Cas., Charles N. Martin; Asst. Cas., F. A. Force.

HALL'S SUMMIT—Hall's Summit State Bank; capital, $10,000; Pres., E. L. Traylor; Cas., B. F. Johnson; Asst. Cas., Frank Blue.

HAVEN—Citizens' State Bank; capital, $10,000; Pres., W. F. Soper; Cas., Fred W. Thorp.

HOISINGTON—People's State Bank; capital, $10,000; Pres., E. R. Moses; Cas., W. B. Lucas.

IOLA—Iola State Bank; capital, $50,000; Pres., Wm. Lanyon, Sr.; Cas., A. B. Roberts.

JENNINGS—State Bank; capital, $5,000; Pres., Charles M. Sawyer; Cas., A. A. Smith.

LEON—State Bank (successor to Leon State Bank); Pres., H. H. Marshall; Cas., H. E. King; Asst. Cas., W. S. Marshall.

LINWOOD—Linwood State Bank; capital, $5,000; Pres., C. C. Burnett; Cas., M. R. Howard; Asst. Cas., Charles Petty.

LOGAN—First National Bank; capital, $25,000; Pres., Wm. Reeder; Cas., Geo. W. Mathews.

MANKATO—Mankato National Bank (successor to Mankota State Bank); capital, $50,000; Pres., J. P. Fair; Cas., N. M. Fair.

TONGANOXIE—Farmers & Merchants' State Bank; capital, $10,000; Pres., Geo. A. Denholm; Cas., J. L. Kelsey.

TORONTO—First National Bank; capital, $25,000; Pres., Ed. Crebo; Cas., J. D. Cannon.

WHITE CLOUD—State Bank of A. Poulet successor to Bank of A. Poulet); capital, $10,000; Pres., Alexis Poulet; Vice-Pres., J. W. Campbell.

KENTUCKY.

CLINTONVILLE—Farmers' Bank; capital, $7,500; Pres., W. F. Heathman; Cas., Ira E. Yelton.

FRENCHBURG—Menifee Deposit Bank; capital, $8,000; Pres., W. C. Taylor; Cas., H. L. Wallace.

GAMALIEL—Gamaliel Bank; capital, $8,000; Pres., R. W. Comer; Cas., T. W. Comer; Asst. Cas., S. D. Harlin.

MAYFIELD—Farmers' National Bank; capital, $50,000; Pres., J. M. Gillum; Cas., Charles C. Wyatt.

MARYLAND.

CHESAPEAKE CITY—National Bank of Chesapeake City; capital, $25,000; Pres., Jos. H. Steele; Cas., John Banks.

LOUISIANA.

MORGAN CITY—First National Bank; capital, $25,000; Pres., Thomas L. Morse; Cas. M. E. Norman.

MASSACHUSETTS.

BOSTON—Boston Banking Co.; capital, $168,900; Pres., Wm. R. Dunham; Vice-Pres., Burton M. Firman; Treas., Elmer F. Twyman.

MICHIGAN.

ONTONAGAON—First National Bank (successor to State Bank); capital $25,000; Pres., James Mercer; Cas., C. Meilleur.

POTTERVILLE—Potterville Exchange Bank; Cas., F. J. McConnell.

MINNESOTA.

AITKIN—First National Bank (successor to

Bank of Aitkin); capital, $25,000; Pres., A. R. Davidson; Cas., Ben R. Hassman; Asst. Cas. Chas. S. Young.

BAGLEY—First Nat. Bank (successor to Bank of Bagley): capital, $25,000; Pres., A. D. Stephens; Cas., Sam Olsen; Asst. Cas., Henry Huseby.

BALATON—First National Bank; capital, $25,000; Pres., Geo. A. Tate; Cas., A. J. Rush.

CLINTON—Clinton State Bank; capital, $15,-000; Pres., N. W. Benson; Cas., D. C. Peck.

FOREST LAKE—Forest Lake State Bank; capital, $10,000; Pres., O. Struble; Cas., S. W. Struble.

HARRIS—Bank of Harris; capital, $10,000; Pres., Geo. F. Porter; Cas., C. A. Peterson.

KIESTER — Citizens' Bank; capital, $10,000; Pres., R. W. Maben; Cas., C. C. Maben.

LEWISVILLE—Merchants' State Bank (successor to Bank of Lewisville); capital, $10,-000; Pres., W. H. Sulflow; Cas., Adolph Sucker.

MADISON—First National Bank (successor to Farmers' State Bank); capital, $25,000; Pres., J. R. Swann; Cas., P. G. Jacobson; Asst. Cas., Peter Bergh.

MAPLETON—First National Bank; capital, $25,000; Pres., W. A. Hanna; Cas., M. W. Mattecheck; Asst. Cas., W. Stroebel.

OSAKIS—First National Bank (successor to Security Bank); capital, $25,000; Pres., Tollef Jacobson; Cas., Nels M. Evenson.

OSTRANDER—Ostrander State Bank; capital, $10,000; Pres., H. O. Larson; Cas., A. J. Haugen.

RUSHMORE—Rushmore State Bank (successor to Bank of Rushmore); capital, $20,-000; Pres., Robert Shore; Cas., S. B. Bedford; Asst. Cas., J. Barr Ludlow.

ST. PAUL—Northwestern Trust Co.; capital, $200,000; surplus, $10.000; Pres., Everett H. Bailey; Vice-Pres., Robert R. Dunn; Vice-Pres. and Counsel, Hayden S. Cole.—American National Bank; capital, $200,000; Pres., Joseph Lockey; Cas., L. H. Ickler; Asst. Cas., H. B. Humason.

TENSTRIKE—Beltrami County Bank (A. L. Morris); capital, $5,000; Asst. Cas., Edith M. Morris.

WELLS—Wells National Bank (successor to Wells Bank); capital, $30,000; Pres., D. A. Odell; Vice-Pres., A. O. Oleson; Asst. Cas., G. H. Simon.

WENDELL—Farmers and Merchants' State Bank (successor to Citizen's State Bank; capital, $12,000; Pres., E. Mobraten; Cas., C. A. Prestrud.

WHITE BEAR—Bank of White Bear; Cas., E. B. Robertson.

MISSISSIPPI.

AMORY—Merchants and Farmers' Bank; capital, $25,000; Pres., Charles Rowa; Cas., T. R. Stevens.

CANTON — First National Bank; capital, $50,000; Pres., W. P. Wiener; Cas., J. F. Flournoy, Jr.

GRENADA—Grenada Trust & Banking Co.; Pres., W. F. Martin; Cas., H. J. Ray.

ROSEDALE—Bank of Rosedale; capital, $25,-000; Pres., Charles Scott; Cas., T. R. Roach.

WEBB—Yazoo Valley Bank; capital, $2,500; Pres., H. R. Stone; Cas., C. C. Russell; Asst. Cas., W. A. Eager.

MISSOURI.

BELLFLOWER—Bank of Bellflower; Pres., G. W. Showengerdt; Cas., M. E. Vermillion.

CARDWELL—People's Bank; capital, $10,000; Pres., J. B. Hale; Cas., A. E. Thomas.

LUTESVILLE—People's Bank; capital, $6,000; Pres., J. J. Chandler; Cas., L. T. Kinder; Asst. Cas., W. E. Dickey.

POLLOCK—Farmers' Bank; capital, $10,000; Pres., H. K. Smart; Cas., W. H. Campbell.

STOUTSVILLE—Farmers' Bank; capital, $6,000; Pres., H. J. Clapper; Cas., I. N. Carman.

NEBRASKA.

BEEMER—First National Bank (successor to Farmers' State Bank); capital, $25,000; Pres., G. Karlen; Cas., Wm. A. Smith; Asst. Cas., R. O. Brandt.

DE WITT—Home State Bank; capital, $10,-000; Pres., A. Thomas; Cas., C. W. Ribble.

EDDYVILLE—Eddyville State Bank; capital, $5,000; Pres., Diah Woodruff; Cas., Louis E. Branson.

FARWELL—Farwell State Bank; capital, $5,-000; Pres., C. C. Hansen; Cas., A. C. Wichman.

GENOA—Genoa National Bank; capital, $25,-000; Pres., Louis G. Stocks; Cas., Gustave A. Mollin.

HUBBARD—Hubbard State Bank; capital, $7,000; Pres., David F. Waters; Cas., Michael Waters.

REPUBLICAN CITY—Commercial State Bank; capital, $5,000; Pres., J. B. McGrew; Cas., C. H. Waldo.

VERDEL—Farmers' State Bank; capital, $5,-000; Pres., Frank Nelson; Cas., Ralph Gilman.

WHITMAN—Whitman State Bank; capital, $10,000; Pres., Chas. S. Hoyt; Cas., James Maninch; Asst. Cas., A. P. Smith.

WISNER—Wisner State Bank; capital, $25,-000; Pres., H. D. Deily; Cas., H. A. Leisy.

NEW JERSEY.

RIVERSIDE—Riverside National Bank; capital, $25.000; Cas., Arthur Pressey.

NEW YORK.

NEWARK—Arcadia National Bank (successor to Vary & Sleight); capital, $50,000; surplus, $10,000; Pres., Peter R. Sleight; Vice-Pres., Calvin P. H. Vary; Cas., L. M. Wilder.

WHITE PLAINS—County Trust Co.: capital, $100,000; surplus, $50,000; Pres., Howard E. Foster; Vice-Pres., David Cromwell; Sec., Jos. H. Mead.

NORTH TONAWANDA—State National Bank

(successor to State Bank of Tonawanda); capital, $200,000; Pres., Timothy E. Ellsworth; Cas., Harry W. Clarke.

NORTH CAROLINA.

JONESBORO—Bank of Jonesboro; capital, $5,000; Pres., R. M. Neeson; Vice-Pres., A. W. Huntley; Cas., Benjamin F. White.

LIBERTY—Bank of Liberty; capital, $5,000; Pres., Lee H. Battle; Cas., W. H. Griffin.

NORTH DAKOTA.

NORTHFIELD—Northfield State Bank; capital, $5,000; Pres., W. G. Robertson; Cas., Usher L. Burdick.

OHIO.

COSHOCTON—Citizens' Banking and Trust Co.; capital, $50,000; Pres., R. E. Finley; Cas., R. H. Mills; Asst. Cas., L. E. Baughman.

DAYTON—Dayton Savings and Trust Co.; capital, $300,000; surplus, $75,000; Pres., A. J. Conover; Sec. and Treas., pro tem., C. A. Herbig.

DENNISON—Twin City National Bank; capital, $50,000; Pres., E. A. Wolf; Cas., Leon J. Alcorn.—Dennison National Bank; capital, $60,000; Pres., Maurice Moody; Cas., E. D. Moody.

GROVE CITY—First National Bank; capital, $25,000; Pres., Joseph M. Briggs; Cas., I. Shaffer; Asst. Cas., J. Merton Briggs.

LOVELAND—First National Bank; capital, $25,000; Pres., Harvey Hawley; Cas., J. C. Williams.

NEW STRAITSVILLE—Martin Bank Co.; capital, $12,500; Pres., E. T. Martin; Cas., E. E. Stiverson.

NORTH BLOOMFIELD—North Bloomfield Banking Co.; capital, $12,500; Pres., Geo. E. Haine; Cas., H. W. Howe; Asst. Cas., D. W. Russell.

OKLAHOMA.

CARMEN—Carmen National Bank; capital, $25,000; Pres., F. N. Winslow; Cas., Harry Dean.

FAIRFAX—Osage Bank; capital, $10,000; Pres., J. P. Girard; Cas., S. B. Berry.

HEADRICK—Citizens' State Bank; capital, $10,000; Pres., G. H. Rowley; Cas., J. E. Ernst.

KAW—Bank of Kaw City; capital, $10,000; Pres., H. Barnum; Cas., E. S. Shidler.

SPENCER—Bank of Spencer; capital, $5,000; Pres., J. H. Thurman; Cas., C. J. Alexander.

PENNSYLVANIA.

BRADDOCK—Union National Bank; capital, $200,000; Pres., James H. McCrady.

EMAUS—Citizens' Bank; capital, $18,000; Cas., R. O. Burlingame; Asst. Cas., R. S. Stoneback.

FAYETTE CITY—Fayette City National Bank (successor to First National Bank); capital, $75,000; surplus, $37,500; Pres., Andrew Brown; Cas., J. Audley Black.

GROVE CITY—Grove City Savings and Trust Co.; capital, $125,000; Pres., Jno. A. Bell; Cas., E. B. Harshaw.

INDIANA—Savings and Trust Co.; capital, $125,000; Pres., John A. Scott; Treas., Robert M. Wilson; Asst. Treas., J. Wilse McCartney.

LIGONIER—National Bank of Ligonier (successor to Bank of Ligonier); capital, $50,000; surplus, $5,000; Pres., John H. Frank; Cas., G. Clifford Frank; Asst. Cash., R. S. Keffer.

PHILADELPHIA—North Philadelphia Trust Co., capital, $150,000; Pres., F. A. Hartranft; Sec. and Treas., Lee Sowden.

PITTSBURG—Industrial National Bank; capital, $800,000; surplus, $200,000; Pres., Jno. W. Garland; Cas., C. M. Gerwig; Asst. Cas., D. E. Davis.

PITTSTON—Union Savings and Trust Co.; Sec. and Treas., A. J. Barber.

SHARPSVILLE—First National Bank (successor to Iron Banking Co.); capital, $80,000; surplus, $8,000; Pres., Frank Pierce; Cas., C. E. Agnew.

SHINGLE HOUSE—First National Bank; capital, $25,000; surplus, $2,500; Pres., Levi C. Kinner; Cas., Geo. B. Scott.

WILSON—First National Bank; capital, $25,000; Pres., J. F. Scott; Vice-Pres., A. G. Wilson; Cas., Edwin Latchem.

SOUTH CAROLINA.

CARLISLE—Bank of Carlisle; capital, $10,000; Pres., G. Epps Tucker; Cas. William H. Gist; Asst. Cas., W. E. Ratchford.

LAKE CITY—Bank of Lake City; capital, $20,000; Pres., A. H. Williams; Cas., E. W. Yates.

SUMMERTON—Bank of Summerton; capital, $15,000; Pres. and Cas., Richard B. Smyth.

SOUTH DAKOTA.

EDGEMONT—Citizens' Bank; capital, $5,000; Pres., J. A. Stewart; Cas., Geo. Forbes.

MILLER—First National Bank (successor to First State Bank); capital $25,000; Pres., Geo. S. Ringland; Vice-Pres., Geo. C. Fullenweider; Cas., E. D. Green; Asst. Cas., A. B. Cahalan.

PEEVER—First State Bank; capital, $5,500; Pres., T. H. Peever; Cas., Carl J. Rice; Asst. Cas., A. L. Steidl.

TYNDALL—First National Bank; capital, $25,000; Pres., A. A. Dye; Vice-Pres., L. I. Smith; Cas., W. G. Youngworth; Asst. Cas., Walter H. Thom.

TENNESSEE.

NASHVILLE—Johnson Dime Savings Bank & Trust Co.; capital, $5,000; Pres., Charles G. Johnson; Cas., Gilbert Easton.

TEXAS.

CANADIAN—First National Bank (successor to Canadian Valley Bank); capital, $100,000; Pres., Robert Moody; Cas., J. H. Young.

CLEBURNE—Citizens' National Bank; capital, $100,000; Pres., M. M. Pittman; Cas.,

J. C. Blakeney; Asst. Cas., Thomas B. Van Tuyl.

EMORY—First National Bank; capital, $25,000; Pres., T. H. Leeves; Cas., S. K. McCallon.

FORT WORTH—Stockyards National Bank of North Fort Worth; capital, $100,000; Pres., M. Sansom; Cas. T. W. Slack.

HEREFORD—Western National Bank (successor to Smith, Walker & Co.); capital, $50,000; Pres., G. A. F. Parker; Cas., F. B. Fuller.

SAN ANGELO—Landon National Bank; Capital, $100,000; Pres., E. R. Jackson; Cas.. E. V. Bateman.

SOURLAKE—First National Bank; capital, $60,000; Pres., Geo. W. Armstrong; Cas., O. H. Bowen.

UVALDE—Commercial National bank; capital, $60,000; Pres., W. W. Collier; Cas. W. P. Dermody.

VIRGINIA.

HAMPTON—First National Bank; capital, $50,000; Cas., H. H. Kimberly.

MARION—Marion National Bank; capital, $25,000; Pres., Geo. W. Richardson; Cas., Otis L. Williams; Asst. Cas., W. P. Francis.

ROANOKE—People's National Bank; capital, $100,000; Pres., Geo. H. P. Cole; Cas., E. B. Spencer.

WASHINGTON.

COUPEVILLE—Bank of Commerce (Branch of Everett).

HARTLINE—Hartline State Bank; capital, $15,000; Pres., J. W. McDonald; Cas., H. T. Jones.

WILBUR—Farmers' State Bank; capital, $15,000; Pres., D. D. Inglis; Cas., C. A. Inglis.

WEST VIRGINIA.

HARRISVILLE—First National Bank; capital, $100,000; Pres., Anthony Smith; Cas., E. M. Carver.

HUNDRED—Bank of Hundred; Pres., Phalen Anderson; Cas., A. D. Ayers; Asst. Cas., Ira M. Franklin.

SPENCER—Traders' Trust and Banking Co.; capital, $40,000; Pres., T. R. Simmons; Cas., Ira S. Bartlett; Asst. Cas., A. G. Miller.

WILLIAMSON—First National Bank; capital, $50,000; Pres., Wallace J. Williamson; Cas., Alex. Bishop.

WISCONSIN.

SUPERIOR—Union Commercial and Savings Bank; capital, $50,000; Pres., H. T. Fowler; Asst. Cas., Bernard Larson.

CANADA.

ONTARIO.

CRYSLER—Union Bank of Canada; D. B. Oliver, Mgr.

ERIN—Union Bank of Canada (successor to A. Richardson).

ST. GEORGE—Merchants' Bank of Canada; H. L. Read, Mgr.

QUEBEC.

WARWICK—People's Bank of Halifax; J. A. Bazin, Mgr.

NEW BRUNSWICK.

ST. GEORGE—Bank of Nova Scotia; H. H. Johnston, Mgr.

MANITOBA.

ELKHORNE—Canadian Bank of Commerce; E. M. Saunders, Mgr.

NORTHWEST TERRITORY.

EDMONTON—Bank of Nova Scotia; E. T. Hammett, Mgr.

CHANGES IN OFFICERS, CAPITAL ETC.

ALABAMA.

ENSLEY—First National Bank; Gordon Du Bose, Vice-Pres. in place of J. J. Walker; no Asst. Cas. in place of W. R. Sawyer.

ARKANSAS.

LITTLE ROCK—Union Trust Co.; capital increased to $100,000.

MALVERN—Bank of Malvern; Samuel Smith, Pres., deceased.

CALIFORNIA.

AZUSA—Azusa Valley Bank; W. M. Griswold, Asst. Cas., resigned.

BIGGS—Sacramento Valley Bank; Jno. M. Brough, Cas.

FRESNO—Fresno National Bank; Dan Brown, Jr., Cas. in place of C. Allison Telfer; A. S. Hays, Asst. Cas. in place of Dan Brown, Jr.

POMONA—First National Bank; Peter R. Ruth, Asst. Cas., resigned.

SACRAMENTO—National Bank of D. O. Mills & Co.; Dwight H. Miller, Asst. Cas.

SAN FRANCISCO—Bank of California; W. R. Pentz, Asst. Cas.—Western National Bank; capital increased to $500,000.

CONNECTICUT.

HARTFORD—Dime Savings Bank; R. W. Dwyer, Sec. and Treas. in place of Thomas M. Smith, resigned.

NEW CANAAN—First National Bank; Gardner Heath, Cas. in place of Selleck Y. St. John.

NEW LONDON—Union Bank; Carlos Barry, Jr., Asst. Cas.

SOUTHINGTON—Southington National Bank; Charles D. Barnes, Pres., deceased.

DELAWARE.

WILMINGTON—Union National Bank; Jno. H. Danby, Vice-Pres. and Cas.; J. C. Gibson, Asst. Cas.

FLORIDA.

JACKSONVILLE—Mercantile Exchange Bank; Samuel B. Hubbard, Pres., deceased.

PENSACOLA—First National Bank; capital increased to $200,000; surplus, $50,000.

GEORGIA.

COLQUITT—First National Bank; L. A. W. Lane, Asst. Cas.

ILLINOIS.

CHICAGO—Western State Bank; capital increased to $1,000,000.——Continental National Bank; William W. Hill, Sec., resigned. ——Redmond, Kerr & Co.; Wm. W. Hill, representative.

LOVINGTON—Shepherd National Bank; J. M. Shepherd, Pres., in place of T. M. Shepherd; Maria P. Shepherd, Vice-Pres.; Homer Shepherd, Cas., in place of J. M. Shepherd; Flossie Shepherd, Asst. Cas.

MARSHALL—Dulaney National Bank; Thos. J. Golden, Pres. in place of Robert L. Dulaney; Harry B. Dulaney, Vice-Pres. in place of Thos. J. Golden; Bert Bryan, Cas. in place of Harry B. Dulaney.

INDIANA.

NEW HARMONY—First National Bank; Jas. N. Johnson, Vice-Pres.; W. B. Mumford and Harold Stephens, Asst. Cas.

PERU—First National Bank; E. W. Shirk, Pres. in place of Milton Shirk, deceased; no Vice-Pres. in place of E. W. Shirk; J. H. Shirk, additional Asst. Cas.

TERRE HAUTE—Terre Haute Trust Co.: C. M. Connelly, Asst. Sec.

INDIAN TERRITORY.

MUSKOGEE—Commercial National Bank; captal increased to $200,000.

So. MCALESTER—First National Bank; Ben Mills, Asst. Cas. in place of J. S. Lockard.

TULSA—First National Bank; J. H. McBirney, Vice-Pres. in place of L. Appleby; no Asst. Cas. in place of J. H. McBirney.

IOWA.

ELKPORT—Bank of Elkport; H. H. Hagensick, Pres.; Geo. Kriebs, Cas.

FONDA—First National Bank; L. S. Straight, Vice-Pres.; Melvin Royer, Asst. Cas.

INDEPENDENCE—First National Bank; W. G. Donnan, Pres. in place of Z. Stout.

OAKVILLE—Oakville State Savings Bank; capital increased to $25,000.

PRESCOTT—First National Bank; Frank R. Warwick, Asst. Cas.

SANBORN—Sanborn State Bank; G. M. Slocum, Cas.

WATERLOO—Waterloo National Bank; no Asst. Cas. in place of R. M. Knox.——Leavitt & Johnson National Bank; capital increased to $200,000; surplus, $50,000.

KENTUCKY.

FOUNTAIN RUN—Bank of Fountain Run; H. P. Gardner, Cas. in place of T. W. Comer.

LOUISIANA.

ABBEVILLE—Bank of Abbeville; capital increased to $50,000.

MAINE.

WESTBROOK—Westbrook Trust Co.; Russell D. Woodman, Pres.; Sec. and Treas., Wm. W. Lamb.

MARYLAND.

HANCOCK—Hancock Bank; Wm. A. Bowles, Pres. in place of Edmund P. Cohill.

MASSACHUSETTS.

BOSTON—National Exchange Bank; W. R. Mitchell, Asst. Cas.——First National Bank and Massachusetts National; consolidated under former title.

CAMBRIDGE—Cambridgeport Savings Bank; Dana W. Hyde, Pres., deceased.

GREAT BARRINGTON—Great Barrington Savings Bank; Geo. Church, Pres., deceased.

MICHIGAN.

PLYMOUTH—First National Bank; C. A. Fisher, Cas. in place of O. A. Fraser.

STANDISH—Standish Bank; Sleeper, Niggeman & Co., Proprietors.

YALE—First National Bank; A. E. Sleeper, Pres. in place of C. Noble.

MINNESOTA.

ADA—First State Bank; Sylvester Peterson, Pres.

ST. PAUL—National German-American Bank; D. S. Culver, Cas. in place of Jos. Lockey.

MISSISSIPPI.

GULFPORT—Bank of Commerce; capital increased to $100,000.——First National Bank; capital increased to $250,000.

MISSOURI.

EAST PRAIRIE—Farmers' Bank; capital increased to $20,000.

HALE—People's Bank; capital decreased to $12,000.

HARDIN—Bank of Hardin; capital increased to $50,000.

MOBERLY—Mechanics' Savings Bank; capital increased to $100,000.

ST. LOUIS—Colonial Trust Co.; absorbed by Commonwealth Trust Co.

MONTANA.

HAVRE—First National Bank; J. C. Pancoast, Cas., in place of Robert T. F. Smith.

NEBRASKA.

DAVID CITY—First National Bank; Joseph C. Havel, Asst. Cas., in place of Jay Rising.

HOOPER—First National Bank; H. B. Treat, Vice-Pres. in place of Theo. Windhusen; Geo. J. Adams, Cas. in place of H. E. Adams.

VIRGINIA—Citizens' State Bank; A. W. Nickell, Pres.; Robin Nickell, Cas.

WOLBACH—Wolbach State Bank; L. J. Dunn, Pres.; Clyde W. Norton, Cas.

NEW HAMPSHIRE.

DOVER—Strafford Savings Bank; Geo. P. Piper, Treas. in place of Albert O. Mathes.

NEW MEXICO.

CARLSBAD—First National Bank; G. M. Cooke, Cas.

TUCUMCARI—First National Bank; A. R. Carter, Asst. Cas. in place of W. B. Jarrell.

NEW YORK.

BROOKLYN—Sprague National Bank; David A. Boody, Pres. in place of Nathan T. Sprague, deceased.

NEW YORK—Harlem Savings Bank; Lemuel Homer Hart, Sec., deceased.——Equitable Trust Co.; Alvin W. Krech, Pres., in place Wm. T. Cornell.——Mercantile Trust Co.; James H. Hyde, Vice-Pres., in place of Alvin W. Krech.——Oriental Bank; capital increased to $750,000; surplus over $1,000,000.——Haven & Clement; successors to Haven & Stout.——Watson & Alpers; successors to Watson & Gibson.——Equitable National Bank; Chas. F. Broach, Cas. in place of Jas. S. O'Neale.

PATCHOGUE—Citizens' National Bank; Walter S. Rose, First Vice-Pres.; Daniel Chichester, Second Vice-Pres.; S. N. Gerard, Cas.

WATERTOWN—National Bank & Loan Co.; capital increased to $100,000.

WELLSVILLE—First National Bank; J. B. Jones, Pres. in place of W. F. Jones; Clarence A. Farnum, Vice-Pres. in place of J. B. Jones.

NORTH CAROLINA.

OXFORD—First National Bank; S. W. Minor, Asst. Cas.

NORTH DAKOTA.

GLEN ULLIN—German State Bank; capital increased to $10,000.

OHIO.

BURTON—First National Bank; G. B. Fox, Cas. in place of Carl B. Ford.

CLEVELAND—Euclid-Park National Bank (successor to Park and Euclid National Banks); capital, $1,500,000; surplus, $500,000; Pres., H. A. Bishop; Vice-Pres., S. L. Severance, John Sherwin, Kaufman Hays, and R. A. Harman; Cas., C. E. Farnsworth; Asst. Cas., F. J. Woodworth.

COLUMBUS—City Deposit Bank; capital increased to $500,000.

PIQUA—Piqua National Bank; John H. Young, Cas. in place of John S. Patterson; Geo. M. Peffer, Asst. Cas. in place of John H. Young.

RIPLEY—Ripley National Bank; G. G. Bambach, Cas. in place of B. G. Blair.

OKLAHOMA.

BLACKWELL—Blackwell State Bank; capital increased to $25,000.

LAMONT—Bank of Lamont; capital increased to $10,000.

WANETTE—First National Bank; Thomas McColgan, Vice-Pres.; Geo. M. Southgate, Cas.

WEATHERFORD—First National Bank; Chas. E. Davis, Pres. in place of J. W. Walters; no Vice-Pres. in place of G. M. D. Steele.

OREGON.

MCMINNVILLE—First National Bank; Arthur McPhillips, Cas. in place of Jno. Wortman; no asst. Cas. in place of Arthur McPhillips.

SCIO—T. J. Munkers; capital, $5,000.

SUMPTER—First National Bank; Edward W. Mueller, Vice-Pres.; H. S. Durgan Asst Cas.

PENNSYLVANIA.

BLAIRSVILLE—Blairsville National Bank; E. E. Lewis, Cas. in place of Robert M. Wilson; no Asst. Cas. in place of E. E. Lewis.

BOSWELL—First National Bank; John K. Hite, Cas. in place of M. L. Hoffman.

CHAMBERSBURG—Chambersburg Trust Co.; capital increased to $200,000.

EAST BRADY—People's National Bank; F. L. Williamson, Cas. in place of D. L. Taylor.

GROVE CITY—People's National Bank; John A. Bell, Pres. in place of A. K. McCandless; E. J. Fithian, Vice-Pres. in place of W. J. Wilson; E. B. Harshaw, Cas. in place of A. A. McKinney.

HUNTINGDON—First National Bank; O. H. Irwin, Cas. in place of S. R. Shumaker; no Asst. Cas. in place of O. H. Irwin.

LEBANON—Valley National Bark; Adam Rise, Pres., deceased.

NEW BRIGHTON—Beaver County Trust Co.; capital increased to $500,000.

PHILADELPHIA—Tradesmen's National Bank; H. D. McCarthy, Cas. in place of R. S. Hubbard; Louis Zeisse, Asst. Cas. in place of H. D. McCarthy.

PITTSBURG—Monongahela National Bank; George C. Arnold, Asst. Cas. in place of Chas. M. Gerwig.——People's Savings Bank; James K. Duff, Sec. and Treas. in place of Edward E. Duff.——Fourth National Bank; S. W. Vandersaal, Pres. in place of James M. Bailey, deceased; Rawdon Evans, Vice-Pres.

TAMAQUA—First National Bank; Wm. Galloway, Pres.; J. F. Derr, Cas.

WASHINGTON—Union Trust Co.; capital increased from $500,000 to $1,000,000.

RHODE ISLAND.

PROVIDENCE—City Savings Bank; absorbed by Old National Bank.

SOUTH CAROLINA.

BENNETTSVILLE—Planters' National Bank; S. Shelton, Cas. in place of J. Walter McRae; G. W. Freeman, Asst. Cas. in place of S. Shelton.

SOUTH DAKOTA.

ARMOUR—Citizens' State Bank; Wm. Scholes, Pres. in place of Homer W. Johnson.

BONESTEEL—Citizens' Bank; capital increased to $8,000.

EVARTS—Evarts State Bank; capital increased to $25,000.

TENNESSEE.

LEBANON—American National Bank; I. J. Dodson, Cas. in place of W. H. Brown.

TEXAS.

ALVARADO—First National Bank; L. B. Trulove, Pres. in place of John Bohrer; B. M. Sansom, Vice-Pres. in place of Ben Barnes; W. C. Glasgow, Cas. in place of H. E. Linn; J. R. Posey, Asst. Cas. in place of E. B. Medcalf.

AUSTIN—First National Bank; J. L. Hume,

Pres. in place of Jno. H. Kirby; W. B. Wortham, First Vice-Pres. in place of J. L. Hume; no Second Vice-Pres. in place of W. B. Wortham; Geo. L. Hume, Cas. in place of A. S. Vandervoort; H. Pfaefflin, Asst. Cas.

CALDWELL—Caldwell National Bank; Otho S. Houston, Pres. in place of J. J. Lane.

CANYON—Stockmen's National Bank; title changed to First National Bank.

CHILDRESS—City National Bank; C. W. Mitchell, Asst. Cas.

DEL RIO—First National Bank: John W. Almond, Asst. Cas.

GOLIAD—First National Bank; W. B. Campbell, Pres. in place of T. P. McCampbell; P. L. Campbell, Cas. in place of W. B. Campbell; no Second Asst. Cas. in place of P. L. Campbell.

GONZALES—Gonzales National Bank; R. S. Dilworth, Pres. in place of J. P. Randle; W. B. Sayers, Second Vice-Pres. in place of J. D. Anderson.

GUNTHER—First National Bank; Samuel Lazarus, Vice-Pres.; L. M. Tuck, Cas. in place of John Hardie; A. P. Ford, Asst. Cas.

LADONIA—Ladonia National Bank; A. B. Cox, Vice-Pres. in place of S. J. McFarland; S. J. McFarland, Cas. in place of W. C. Evans; C. B. Hyde, and H. B. Cobb, Jr., Asst. Cas.

SAN MARCOS—First National Bank; C. L. Hopkins, Cas. in place of J. H. Barbee; no Asst. Cas. in place of C. L. Hopkins.

SHERMAN—Grayson County National Bank; capital increased to $200,000.

UVALDE—Uvalde National Bank; J. F. Simpson, Pres. in place of W. W. Collier; J. A. Mangum, Vice-Pres. in place of J. F. Simpson.

VERMONT.

ST. ALBANS—Weldon National Bank; B. B. Smalley, Pres.; F. Stewart Stranahan, Sec. and Treas.

VIRGINIA.

NORFOLK — Traders and Truckers' Bank; Alan G. Burrow, Pres. in place of E. Black.

RICHMOND—American National Bank; capital increased to $400,000; surplus increased to $100,000.

STAUNTON—Farmers and Merchants' Bank; C. R. Caldwell, Pres.; W. Murray Hillary, Cas.—-Augusta National Bank; Andrew Bowling, Pres.; W. P. Tams, Cas.

WEST VIRGINIA.

BECKLEY—First National Bank; Thomas H. Wickham, Vice-Pres.; John F. Davis, Asst. Cas.

WISCONSIN.

HUDSON—First National Bank; B. J. Price, Vice-Pres. in place of Joseph Yoerg; Jos. Yoerg, Cas. in place of J. R. Agnew.

OSHKOSH—German National Bank; A. J. Barber, Second Vice-Pres.; F. A. Labudde, Cas. in place of C. H. Krippene; no Asst. Cas. in place of F. A. Labudde.

CANADA.

ONTARIO.

ALMONTE—Bank of Montreal; K. Erdley-Wilmot, no longer Manager.

HAMILTON—Bank of Hamilton; John Stuart, Pres., retired.

PETERBORO—Bank of Montreal; K. Erdley-Wilmot, Manager.

NOVA SCOTIA.

YARMOUTH—Exchange Bank of Yarmouth; absorbed by Bank of Montreal.

NEW BRUNSWICK.

CAMPBELLTON—Bank of New Brunswick; L. W. Bailey, Jr., Manager.

BRITISH COLUMBIA.

GREENWOOD—Canadian Bank of Commerce; W. Allison, Manager in place of H. F. Mytton.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ALABAMA.

BESSEMER—Bessemer Savings Bank; in hands of Receiver.——Bank of Commerce.

INDIANA.

MILTON—Citizens' Bank.

MARYLAND.

BALTIMORE—City Trust and Banking Co.; in hands of Geo. Dobbin Penniman and Campbell Carrington, Receivers.

MINNESOTA.

DELAVAN—Bank of Delavan.

ST. PAUL—St. Paul Title and Trust Co.

WINNEBAGO CITY—Faribault County Bank.

MISSOURI.

SKIDMORE—Skidmore Bank.

NEW YORK.

COHOCTON—W. J. Shults & Co.

OHIO.

WELLSVILLE—First National Bank; in voluntary liquidation June 18.

OKLAHOMA.

INDIAHOMA—Bank of Indiahoma.

STERLING—Sterling Bank.

SOUTH CAROLINA.

GREENWOOD—City Bank.

CANADA.

ONTARIO.

TORONTO—A. E. Ames & Co.

NATIONAL BANK RETURNS—RESERVE CITIES.

By the courtesy of the Comptroller of the Currency at Washington, the BANKERS' MAGAZINE has been favored with the complete returns of the National banks in all the reserve cities, at the date of the call on June 9, 1903. These are published below in conjunction with the two preceding statements of February 6, 1903, and April 9, 1903. In this form the figures become much more valuable by reason of the comparison. The complete returns of National banks in the reserve cities are published in the BANKERS' MAGAZINE exclusively.

NEW YORK CITY.

RESOURCES.	*Feb. 6, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*
Loans and discounts	$639,383,359	$611,711,959	$601,024,339
Overdrafts	448,634	246,630	462,824
U. S. bonds to secure circulation	46,096,500	44,746,500	44,696,500
U. S. bonds to secure U. S. deposits	44,757,500	41,857,500	41,857,500
U. S. bonds on hand	1,664,520	858,400	3,009,240
Premiums on U. S. bonds	3,449,704	3,646,705	2,546,089
Stocks, securities, etc	102,766,245	108,080,392	105,145,482
Banking house, furniture and fixtures	19,589,507	19,400,648	18,778,656
Other real estate and mortgages owned	2,382,686	2,693,523	3,200,312
Due from National banks (not reserve agents)	43,551,683	41,797,189	48,081,280
Due from State banks and bankers	8,881,910	8,094,973	7,213,911
Due from approved reserve agents	......	......	......
Checks and other cash items	4,727,040	3,531,820	3,743,576
Exchanges for clearing-house	141,485,063	132,318,841	157,426,683
Bills of other National banks	935,410	1,020,990	1,364,190
Fractional paper currency, nickels and cents	82,340	76,342	75,749
*Lawful money reserve in bank, viz.:			
Gold coin	4,674,013	5,000,261	5,342,364
Gold Treasury certificates	63,837,220	55,993,820	61,640,700
Gold clearing-house certificates	80,100,000	70,010,000	58,514,000
Silver dollars	83,069	79,281	52,857
Silver Treasury certificates	19,133,576	14,009,121	17,709,610
Silver fractional coin	726,138	731,078	732,282
Legal-tender notes	48,883,433	45,201,412	50,933,847
U. S. certificates of deposit for legal-tender notes	......	......	......
Five per cent. redemption fund with Treasurer	2,269,822	2,212,322	2,227,322
Due from U. S. Treasurer	1,288,385	1,287,706	2,069,373
Total	**$1,281,197,765**	**$1,214,657,422**	**$1,232,848,644**

LIABILITIES.			
Capital stock paid in	$100,550,000	$100,550,000	$100,050,000
Surplus fund	68,170,000	69,952,000	71,185,000
Undivided profits, less expenses and taxes paid	37,163,204	40,326,505	40,225,122
National bank notes issued, less amount on hand	44,449,085	43,681,297	43,320,727
State bank notes outstanding	16,542	16,542	16,542
Due to other National banks	267,800,429	240,432,629	233,234,339
Due to State banks and bankers	186,765,249	171,168,636	179,179,743
Dividends unpaid	71,056	73,794	450,369
Individual deposits	512,433,609	489,290,719	504,475,555
U. S. deposits	63,190,641	57,140,394	59,063,986
Deposits of U. S. disbursing officers	368,435	380,964	349,905
Notes and bills rediscounted	....	219,500	....
Bills payable	....	300,000	250,000
Liabilities other than those above stated	169,511	1,124,438	1,047,342
Total	**$1,281,197,765**	**$1,214,657,422**	**$1,232,848,644**
Average reserve held	**28.49 p. c.**	**26.96 p. c.**	**27.39 p. c.**
*** Total lawful money reserve in bank**	**$217,437,450**	**$191,024,974**	**$189,925,610**

Resources.	Albany, N. Y. Feb. 6, 1903.	Albany, N. Y. Apr. 9, 1903.	Albany, N. Y. June 9, 1903.	Baltimore, Md. Feb. 6, 1903.	Baltimore, Md. Apr. 9, 1903.	Baltimore, Md. June 9, 1903.	Boston, Mass. Feb. 6, 1903.	Boston, Mass. Apr. 9, 1903.	Boston, Mass. June 9, 1903.
Loans and discounts	$13,845,554	$13,243,508	$14,656,119	$46,190,119	$47,173,502	$46,314,882	$166,863,765	$162,244,195	$166,351,771
Overdrafts	1,819	1,428	2,472	7,192	6,150	7,474	20,678	58,489	88,220
U. S. bonds to secure circulation	550,000	550,000	750,000	3,225,000	3,040,000	3,720,000	6,799,700	6,949,700	7,217,700
U. S. bonds to secure U. S. deposits	489,100	489,100	489,100	2,080,000	5,534,900	2,082,000	6,082,250	6,599,250	6,549,250
U. S. bonds on hand	......	......	......	12,500	51,500	454,400	517,000	18,500	20,500
Premiums on U. S. bonds	30,074	30,074	25,074	183,122	155,172	171,499	438,930	379,166	334,309
Stocks, securities, etc	1,576,223	1,658,136	1,774,381	6,334,000	5,349,471	5,134,046	9,732,673	9,424,230	10,413,158
Banking house, furniture and fixtures	245,484	268,039	294,782	2,741,097	2,789,105	2,892,156	1,702,668	1,751,360	1,702,528
Other real estate and mortgages owned	147,573	177,297	220,370	161,115	178,130	187,801	43,780	44,006	44,184
Due from National banks (not reserve agents)	3,345,657	3,837,649	4,198,243	5,137,755	4,904,703	5,448,561	13,376,631	14,635,135	14,793,914
Due from State banks and bankers	1,076,555	1,149,564	1,382,770	1,069,957	971,445	927,756	1,446,778	1,303,191	1,652,093
Due from approved reserve agents	2,788,964	2,872,354	3,321,559	6,402,879	5,139,093	5,171,283	28,521,178	29,474,116	25,759,569
Checks and other cash items	88,926	98,017	94,799	241,340	234,725	281,888	481,000	259,016	485,014
Exchanges for clearing-house	125,296	76,270	106,404	2,167,131	1,974,050	2,516,351	14,648,007	14,917,801	14,058,353
Bills of other National banks	50,410	42,407	46,720	239,629	197,303	438,371	1,342,404	1,151,197	1,878,286
Fractional paper currency, nickels and cents	3,995	3,160	3,390	19,279	20,797	20,084	31,016	25,881	29,671
*Lawful money reserve in bank, viz.:									
Gold coin	395,027	342,583	345,566	589,836	509,526	501,478	1,533,208	1,470,362	1,451,702
Gold Treasury certificates	205,000	343,000	366,000	1,697,600	1,158,560	1,199,990	7,869,150	7,135,930	7,155,840
Gold clearing-house certificates	150,000	....	......	545,000	40,000	125,000	3,555,000	3,405,000	3,265,000
Silver dollars	21,608	21,726	24,918	67,411	61,335	49,506	23,843	21,086	33,498
Silver Treasury certificates	58,000	87,000	88,000	2,240,824	1,508,942	1,904,777	3,507,900	2,866,397	3,519,659
Silver fractional coin	38,020	18,499	22,859	90,480	94,408	86,427	250,574	225,625	223,025
Legal-tender notes	843,993	794,364	1,103,873	1,276,168	1,085,950	948,737	4,932,882	4,583,221	5,601,091
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	27,500	27,500	37,500	161,250	152,000	147,525	339,985	339,985	353,912
Due from U. S. Treasurer	....	....	......	31,450	56,300	6,000	159,500	172,550	314,504
Total	$26,104,784	$26,131,682	$29,354,908	$82,912,150	$79,387,078	$80,737,947	$274,215,507	$269,455,344	$273,296,257
Liabilities.									
Capital stock paid in	$1,250,000	$1,250,000	$1,250,000	$12,403,260	$12,403,260	$12,403,260	$33,100,000	$33,100,000	$33,100,000
Surplus fund	1,420,000	1,390,000	1,390,000	6,514,400	6,514,400	6,514,400	14,477,700	14,641,400	14,641,400
Undiv. profits, less expenses and taxes paid	313,340	306,143	267,605	1,532,062	1,834,623	1,961,320	7,734,844	7,058,673	7,756,204
National bank notes issued, less am't on hand	540,550	532,300	737,350	3,200,800	2,995,200	3,547,990	6,692,040	6,678,880	7,083,772
State bank notes outstanding	......	......	......	493	493	493	......	......	......
Due to other National banks	11,302,458	11,122,538	12,008,118	13,028,424	12,581,155	12,451,375	38,838,094	34,491,149	26,869,599
Due to State banks and bankers	3,449,800	3,522,480	4,085,043	7,285,694	6,584,684	6,430,488	32,036,941	33,407,534	32,230,553
Dividends unpaid	3,208	337	792	74,081	52,244	44,452	10,769	63,693	11,013
Individual deposits	7,279,963	7,378,626	9,001,665	35,073,567	32,433,717	32,674,549	129,845,297	128,082,061	130,453,348
U. S. deposits	411,194	419,853	420,412	2,731,125	3,395,308	3,098,324	9,866,453	9,719,650	9,396,136
Deposits of U. S. disbursing officers	6,368	1,402	915	......	......	......	107,700	124,701	95,101
Notes and bills rediscounted	......	......	......	......	......	......	......	100,000	64,500
Bills payable	128,000	208,000	193,000	1,065,000	584,000	1,605,000	1,337,000	1,711,000	1,200,727
Liabilities other than those above stated	......	......	......	3,240	7,986	7,880	168,666	276,600	393,900
Total	$26,104,784	$26,131,682	$29,354,908	$82,912,150	$79,387,078	$80,737,947	$274,215,507	$269,455,344	$273,296,257
Average reserve held	25.96 p. c.	26.64 p. c.	27.48 p. c.	......	22.88 p. c.	28.98 p. c.	29.75 p. c.	30.20 p. c.	28.37 p. c.
***Total lawful money reserve in bank**	$1,711,649	$1.607,173	$1,951,216	$6,507,319	$4,458,721	$4,815,915	$21,672,557	$19,707,571	$21,249,315

RESOURCES.	BROOKLYN, N. Y. Feb. 6, 1903.	Apr. 9, 1903.	June 9, 1903.	CHICAGO, ILL. Feb. 6, 1903.	Apr. 9, 1903.	June 9, 1903.	CINCINNATI, OHIO. Feb. 6, 1903.	Apr. 9, 1903.	June 9, 1903.
Loans and discounts	$12,404,123	$12,965,921	$12,637,991	$181,573,158	$186,767,723	$181,692,877	$37,636,418	$41,195,462	$38,661,988
Overdrafts	4,118	4,216	7,237	56,680	88,962	28,403	15,344	14,356	18,022
U. S. bonds to secure circulation	642,000	642,000	592,000	3,223,000	3,273,000	3,723,000	4,620,000	4,720,000	5,017,000
U. S. bonds to secure U. S. deposits	200,000	200,000	200,000	2,016,000	2,016,000	2,016,000	3,950,000	3,950,000	3,954,510
U. S. bonds on hand	......	......	......	105,190	46,620	62,320	62,370	294,080	50,650
Premiums on U. S. bonds	7,900	7,900	4,000	11,000	14,000	41,855	34,013	81,722	49,380
Stocks, securities, etc	2,616,122	2,637,292	3,106,483	16,984,095	15,768,843	13,914,611	11,786,665	10,943,500	11,488,145
Banking house, furniture and fixtures	483,250	483,250	483,250	1,013,333	1,006,150	1,004,150	484,350	484,403	479,064
Other real estate and mortgages owned	41,841	64,671	64,671	165,946	203,427	204,961	544,827	608,889	748,098
Due from National banks (not reserve agents)	66,057	81,220	80,960	48,198,097	39,813,104	41,939,706	5,475,705	4,926,865	5,587,068
Due from State banks and bankers	78,662	146,601	124,221	12,205,902	12,504,042	10,298,195	798,834	901,678	919,859
Due from approved reserve agents	2,368,523	2,145,418	1,512,804	......	......	......	7,889,279	5,384,430	5,819,191
Checks and other cash items	106,588	85,107	94,061	125,389	304,626	292,732	77,692	59,272	42,282
Exchanges for clearing-house	1,988,040	1,316,246	1,860,115	9,888,961	11,070,370	10,160,861	614,728	203,408	229,709
Bills of other National Banks	69,605	79,336	103,181	846,483	559,796	878,113	182,643	134,363	190,224
Fractional paper currency, nickels and cents	13,796	9,637	13,698	48,977	50,487	44,701	5,386	5,119	5,375
*Lawful money reserve in bank, viz.:									
Gold coin	411,241	426,566	396,726	10,966,717	11,108,712	11,336,972	455,189	405,695	650,549
Gold Treasury certificates	554,150	494,750	609,110	9,936,220	12,998,280	10,977,720	1,361,000	2,221,700	1,610,500
Gold clearing-house certificates	......	......	......	6,825,000	......	......	640,000	......	......
Silver dollars	15,229	5,044	11,500	136,941	124,517	144,496	82,920	77,756	90,507
Silver Treasury certificates	440,929	546,265	594,940	4,467,918	5,673,388	7,102,540	406,552	454,166	483,336
Silver fractional coin	64,713	60,372	79,307	269,240	320,516	206,150	47,732	45,348	47,159
Legal-tender notes	595,440	567,134	755,185	18,014,960	16,631,896	21,652,131	3,449,002	2,748,149	4,355,462
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	32,100	32,100	29,600	158,650	161,150	185,250	231,000	229,950	250,850
Due from U. S. Treasurer	....	......	5,000	176,900	162,700	262,100	8,574	10,400	9,961
Total	$23,204,451	$23,021,046	$23,365,546	$327,414,779	$320,668,814	$318,164,350	$80,859,728	$80,095,237	$80,258,894
LIABILITIES.									
Capital stock paid in	$1,352,000	$1,352,000	$1,352,000	$25,100,000	$25,100,000	$25,600,000	$9,500,000	$9,500,000	$10,200,000
Surplus fund	1,950,000	1,950,000	1,950,000	12,900,000	12,900,000	13,025,000	3,725,000	3,725,000	4,205,000
Undiv. profits, less expenses and taxes paid	563,277	599,782	674,310	4,964,719	4,772,566	5,457,547	2,106,818	2,815,542	1,918,069
National bank notes issued, less am't on hand	634,000	641,950	585,450	3,091,197	3,116,697	3,708,547	4,567,097	4,670,097	4,969,147
State bank notes outstanding	1,846	1,846	1,846	......	......	......	......	......	......
Due to other National banks	196,358	259,332	213,645	98,761,170	94,930,909	91,158,397	13,343,002	12,280,652	12,323,500
Due to State banks and bankers	4,570,776	4,493,992	4,053,460	53,835,989	50,751,586	50,996,147	8,829,615	8,961,738	8,169,696
Dividends unpaid	1,483	1,681	788	6,839	67,218	5,545	6,367	2,401	3,335
Individual deposits	13,717,189	13,498,269	14,292,719	125,666,628	128,041,512	125,124,948	31,832,024	31,111,171	31,839,363
U. S. deposits	182,011	178,167	200,625	2,815,379	2,844,843	2,831,919	6,462,046	6,960,401	6,570,781
Deposits of U. S. disbursing officers	22,493	30,742	22,452	264,351	135,480	248,795	......	......	......
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	450,000	450,000	......
Liabilities other than those above stated	13,015	18,282	18,248	8,500	7,500	7,500	37,757	118,231	60,000
Total	$23,204,[illegible]	$23,021,046	$23,365,546	$327,414,779	$320,668,314	$318,164,350	$80,859,728	$80,095,237	$80,258,894
Average reserve held	27.49 p. c.	25.67 p. c.	24.31 p. c.	24.50 p. c.	22.62 p. c.	25.30 p. c.	31.08 p. c.	25.05 p. c.	28.21 p. c.
* Total lawful money reserve in bank	$2,081,702	$2,100,131	$2,446,768	$50,617,017	$46,857,310	$51,420,012	$6,442,395	$5,952,814	$7,237,518

	CLEVELAND, OHIO.			COLUMBUS, OHIO.			DALLAS, TEXAS.		
Resources.	Feb. 6, 1903.	Apr. 9, 1903.	June 9, 1903.	Feb. 6, 1903.	Apr. 9, 1903.	June 9, 1903.	Feb. 6, 1903.	Apr. 9, 1903.	June 9, 1903.
Loans and discounts	$45,317,464	$48,317,119	$46,789,369	$10,885,309	$10,935,412	$11,362,510	$6,922,534	$7,325,911	$6,608,772
Overdrafts	50,806	42,800	548,879	9,013	19,109	22,852	387,162	273,872	283,646
U. S. bonds to secure circulation	4,350,000	4,400,000	4,800,000	566,000	566,000	885,000	587,500	587,500	587,500
U. S. bonds to secure U. S. deposits	1,900,000	1,850,000	1,850,000	575,000	575,000	581,650	625,000	625,000	625,000
U. S. bonds on hand	150,000	......	......	39,770	39,020	7,270	......	......	......
Premiums on U. S. bonds	166,951	165,691	189,979	22,281	3,081,697	37,056	29,000	29,000	29,000
Stocks, securities, etc	3,616,639	3,725,925	3,527,445	2,622,065	295,000	2,848,135	16,961	13,961	60,800
Banking house, furniture and fixtures	576,134	579,192	572,316	292,89[illegible]	84,679	397,700	126,999	126,999	126,999
Other real estate and mortgages owned	125,206	125,206	115,806	86,299	......	86,705	87,881	87,881	88,681
Due from National banks (not reserve agents)	3,950,211	3,982,622	4,300,649	1,470,731	1,562,716	1,495,449	1,096,532	954,578	1,141,149
Due from State banks and bankers	1,629,215	1,685,658	1,800,031	127,523	143,191	192,341	294,541	279,914	211,890
Due from approved reserve agents	5,445,177	4,088,735	4,141,627	1,960,455	1,780,144	1,272,200	1,920,863	1,471,289	1,329,779
Checks and other cash items	192,872	211,684	202,022	66,166	30,395	32,250	31,818	39,576	20,343
Exchanges for clearing-house	746,710	947,422	855,330	231,150	261,104	253,003	141,971	130,055	147,776
Bills of other National banks	201,926	134,451	207,694	167,188	141,853	118,148	52,315	65,500	56,525
Fractional paper currency, nickels and cents	13,863	12,233	11,275	2,622	1,808	2,557	8,885	6,207	8,425
*Lawful money reserve in bank, viz.:									
Gold coin	1,290,682	1,267,400	1,597,445	371,530	345,732	377,195	300,545	263,010	333,335
Gold Treasury certificates	774,000	713,000	965,000	389,040	537,070	479,620	44,000	106,520	90,000
Gold clearing-house certificates	1,100,800	1,020,000	790,000	......	......	......	10,000	10,000	......
Silver dollars	212,590	231,206	170,905	62,940	51,118	47,434	62,842	36,418	27,890
Silver Treasury certificates	254,777	92,740	193,930	320,593	311,417	271,870	45,200	85,477	48,227
Silver fractional coin	57,732	45,101	38,068	19,645	15,954	15,454	12,465	10,023	10,073
Legal-tender notes	1,900,811	1,702,656	2,077,330	1,060,991	911,926	1,078,847	445,000	587,000	416,800
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	207,498	204,050	234,745	28,300	28,300	44,250	29,175	28,780	28,875
Due from U. S. Treasurer	61,002	44,900	62,750	10,500	3,500	4,000	3,450	3,900	5,000
Total	$74,292,274	$75,589,798	$75,548,602	$21,387,989	$21,744,315	$21,883,501	$13,282,643	$13,098,376	$12,286,490
Liabilities.									
Capital stock paid in	$11,900,000	$11,900,000	$12,050,000	$2,300,000	$2,300,000	$2,400,000	$1,050,000	$1,050,000	$1,050,000
Surplus fund	3,606,000	3,557,000	3,647,000	755,000	735,000	870,000	1,112,000	1,112,000	1,112,000
Undiv. profits, less expenses and taxes paid	1,263,994	1,356,594	1,203,914	333,339	373,642	307,666	186,700	222,609	271,477
National bank notes issued, less am't on hand	4,328,850	4,385,400	4,788,245	566,000	565,200	885,000	587,500	587,500	587,500
Due to other National banks	9,907,873	8,828,543	8,683,857	1,528,387	1,535,527	1,778,016	2,622,528	2,429,615	1,031,428
Due to State banks and bankers	12,169,635	11,776,256	7,542,372	2,449,252	2,628,999	2,554,522	455,143	398,536	1,206,767
Dividends unpaid	2,627	139	3,175	1,689	874	2,092	392	300	200
Individual deposits	25,738,909	27,118,788	27,044,538	12,828,790	12,954,248	12,468,040	6,639,421	6,667,102	6,451,088
U. S. deposits	3,508,524	4,119,358	1,765,725	600,812	599,247	608,058	596,106	590,538	541,880
Deposits of U. S. disbursing officers	44,044	30,696	42,323	......	21,575	10,104	27,572	27,227	31,252
Notes and bills rediscounted	446,000	......	2,050,500	......	......	......	......	......	......
Bills payable	1,065,000	2,490,000	1,700,000	......	......	......	......	......	......
Liabilities other than those above stated	310,815	27,021	26,949	......	......	......	5,279	2,946	2,946
Total	$74,292,274	$75,589,798	$75,548,602	$21,387,989	$21,744,315	$21,883,501	$13,282,643	$13,098,376	$12,286,490
Average reserve held	27.24 p. c.	22.86 p. c.	24.85 p. c.	28.42 p. c.	26.49 p. c.	24.27 p. c.	35.19 p. c.	31.47 p. c.	31.92 p. c.
* Total lawful money reserve in bank	$5,590,593	$5,072,103	$5,832,678	$2,224,739	$2,173,218	$2,270,420	$920,052	$1,048,448	$9 6,825

	DENVER, COLORADO.			DES MOINES, IOWA.			DETROIT, MICH.		
Resources.	*Feb. 6, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*	*Feb. 6, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*	*Feb. 6, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*
Loans and discounts	$16,659,283	$16,348,164	$15,273,792	$4,898,815	$5,453,096	$5,354,374	$16,9[illegible]1,756	$17,133,905	$17,889,220
Overdrafts	126,144	142,197	175,819	27,069	29,441	33,105	18,659	3,447	5,348
U. S. bonds to secure circulation	1,750,000	1,750,000	2,250,000	450,000	450,000	450,000	1,250,000	1,250,000	1,250,000
U. S. bonds to secure U. S. deposits	1,050,000	1,050,000	1,050,000	300,000	400,000	400,000	900,000	900,000	900,000
U. S. bonds on hand	......	......	......	5,320	5,320	7,020	200,000	15,000	......
Premiums on U. S. bonds	58,187	57,937	57,937	22,080	22,080	19,607	244,573	222,918	220,987
Stocks, securities, etc	8,700,755	8,748,746	8,664,702	276,898	271,458	274,462	1,893,248	1,658,296	1,359,382
Banking house, furniture and fixtures	65,468	65,359	66,894	106,586	111,586	111,602	38,288	38,288	37,688
Other real estate and mortgages owned	319,745	318,245	316,746	40,338	40,355	41,882	58,658	56,921	56,921
Due from National banks (not reserve agents)	2,614,228	2,796,405	2,309,621	500,233	487,281	487,087	1,622,235	1,616,443	2,102,387
Due from State banks and bankers	1,315,979	1,223,479	1,133,040	79,086	182,671	95,117	470,891	434,875	362,436
Due from approved reserve agents	8,282,482	8,131,869	8,100,821	1,396,521	785,727	914,886	2,746,014	2,770,440	2,596,725
Checks and other cash items	45,020	38,869	47,659	15,743	18,014	20,705	22,021	18,898	28,166
Exchanges for clearing-house	575 281	626,700	586,708	111,761	77,691	129,196	490,384	301,378	297,385
Bills of other National banks	488,424	462,280	546,914	51,644	65,770	64,625	240,811	219,650	266,729
Fractional paper currency, nickels and cents	3,762	3,158	5,265	2,622	4,296	2,342	10,684	11,221	11,516
*Lawful money reserve in bank, viz.:									
Gold coin	2,375,565	2,509,597	2,798,637	189,235	223,138	217,522	877,252	716,898	984,975
Gold Treasury certificates	337,500	333,500	342,800	12,500	3,000	161,100	141,990	141,990	141,990
Gold clearing-house certificates	......	......	......	150,000	150,000	......	85,000	190,000	85,000
Silver dollars	114,004	109,714	80,519	46,976	46,298	39,894	48,078	72,202	43,674
Silver Treasury certificates	254,502	265,048	280,958	68,110	105,918	89,459	49,688	40,760	25,100
Silver fractional coin	52,184	37,615	31,577	15,928	16,621	15,766	24,832	19,905	30,366
Legal-tender notes	1,816,750	1,611,495	1,668,000	238,421	337,464	243,090	1,258,005	891,327	1,116,008
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	87,500	87,500	112,500	22,500	22,500	22,500	62,500	62,500	62,500
Due from U. S. Treasurer	56,434	39,384	20,884	2,000	3,000	......	16,000	32,800	13,500
Total	$47,149,203	$46,757,268	$45,901,249	$9,029,342	$9,262,633	$9,194,798	$29,686,523	$28,820,063	$29,338,005
Liabilities.									
Capital stock paid in	$2,500,000	$2,500,000	$2,500,000	$800,000	$800,000	$800,000	$4,100,000	$4,100,000	$4,100,000
Surplus fund	700,000	700,000	700,000	260,000	260,000	260,000	1,013,500	1,013,500	1,013,500
Undiv. profits, less expenses and taxes paid	1,023,683	1,051,642	1,103,240	51,358	72,758	86,433	272,679	336,764	412,582
National bank notes issued, less am't on hand	1,750,000	1,750,000	2,231,350	429,747	413,697	410,347	1,215,350	1,217,600	1,173,300
Due to other National banks	6,781,865	6,646,821	5,819,744	1,867,435	1,963,763	1,692,688	2,973,011	2,650,856	2,769,987
Due to State banks and bankers	4,019,246	3,240,478	3,209,678	2,499,891	2,297,775	2,394,300	6,219,631	6,014,441	5,934,167
Dividends unpaid	150	......	......	328	292	220	290	1,554	40
Individual deposits	29,513,286	29,955,950	29,436,365	2,820,640	3,016,930	3,167,285	12,769,116	12,410,469	12,952,884
U. S. deposits	251,364	320,831	319,371	217,432	315,771	269,983	867,901	888,811	798,026
Deposits of U. S. disbursing officers	609,607	591,544	581,499	81,761	75,534	113,539	45,043	29,959	119,498
Notes and bills rediscounted	......	......	......	......	45,000	......	......	8,106	90,075
Bills payable	......	......	......	......	......	......	210,000	148,000	50,000
Liabilities other than those above stated	......	......	......	746	1,108	......	......	......	......
Total	$47,149,203	$46,757,268	$45,901,249	$9,029,342	$9,262,633	$9,194,798	$29,686,523	$28,820,063	$29,338,005
Average reserve held	37.18 p. c.	37.04 p. c.	38.91 p. c.	32.78 p. c.	25.66 p. c.	2[illegible].84 p. c.	......	26.52 p. c.	27.15 p. c.
*** Total lawful money reserve in bank**	$4,950,505	$4,866,970	$5,197,492	$721,170	$882,439	$766,831	$2,481,796	$2,073,082	$2,427,108

Resources.	Houston, Texas. Feb. 6, 1903.	Houston, Texas. Apr. 9, 1903.	Houston, Texas. June 9, 1903.	Indianapolis, Ind. Feb. 6, 1903.	Indianapolis, Ind. Apr. 9, 1903.	Indianapolis, Ind. June 9, 1903.	Kansas City, Kans. Feb. 6, 1903.	Kansas City, Kans. Apr. 9, 1903.	Kansas City, Kans. June 9, 1903.
Loans and discounts	$5,819,604	$5,847,197	$6,262,487	$16,001,423	$16,512,499	$17,115,217	$4,146,977	$4,959,150	$4,831,161
Overdrafts	1,064,231	734,205	388,387	841	2,055	953	8,929	1,188	4,783
U. S. bonds to secure circulation	580,000	580,000	530,000	660,000	705,000	805,000	800,000	850,000	850,000
U. S. bonds to secure U. S. deposits	100,000	100,000	100,000	3,739,000	3,739,000	3,922,700	50,000	50,000	50,000
U. S. bonds on hand	......	......	......	199,900	201,960	22,460	......	......	......
Premiums on U. S. bonds	44,385	44,252	44,252	184,676	188,132	82,973	41,892	44,867	43,692
Stocks, securities, etc	59,244	58,279	58,279	2,683,099	2,783,163	2,795,452	261,323	279,485	315,826
Banking house, furniture and fixtures	226,788	231,832	233,414	276,301	276,398	276,513	4,300	4,300	4,400
Other real estate and mortgages owned	73,353	73,373	73,284	56,737	55,747	51,022	42,234	42,191	42,024
Due from National banks (not reserve agents)	1,461,470	1,599,129	1,243,517	4,828,110	4,136,112	4,509,861	259,277	173,638	202,974
Due from State banks and bankers	323,849	366,002	386,437	1,970,587	1,779,306	2,081,072	82,201	123,916	95,735
Due from approved reserve agents	1,741,032	1,847,003	1,647,907	4,342,160	4,020,115	5,014,824	672,348	462,338	380,336
Checks and other cash items	2,322	28,984	1,430	36,236	27,316	45,979	104,038	131,936	3,032
Exchanges for clearing-house	84,121	37,981	132,194	475,015	477,160	668,227	208,640	223,006	11,965
Bills of other National banks	158,008	176,126	187,965	668,088	750,457	853,480	12,247	7,460	23,403
Fractional paper currency, nickels and cents	9,056	4,781	4,968	8,284	5,843	4,587	766	722	241
*Lawful money reserve in bank, viz.:									
Gold coin	269,678	200,799	227,557	1,117,596	985,252	906,715	43,677	133,545	138,597
Gold Treasury certificates	366,350	507,580	393,580	1,494,340	1,474,500	1,459,500	15,000	10,000	10,000
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	177,636	151,602	142,940	106,097	90,029	76,039	14,453	12,342	15,786
Silver Treasury certificates	149,611	157,885	138,574	162,039	95,032	120,388	3,000	7,345	20,000
Silver fractional coin	37,611	34,301	40,381	18,146	28,283	30,692	7,406	11,484	6,542
Legal-tender notes	809,807	705,991	560,116	1,390,300	1,306,001	1,224,060	583,040	428,230	557,733
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	28,875	28,875	28,875	30,450	32,750	37,600	40,000	40,000	42,500
Due from U. S. Treasurer	......	......	......	8,750	550	5,000	5	5	5
Total	$13,587,039	$13,516,194	$12,876,549	$40,458,180	$39,622,537	$42,110,321	$7,401,759	$7,996,155	$7,650,740
Liabilities.									
Capital stock paid in	$1,450,000	$1,450,000	$1,450,000	$4,300,000	$4,300,000	$4,300,000	$1,200,000	$1,200,000	$1,200,000
Surplus fund	870,000	870,000	870,000	1,540,000	1,540,000	1,540,000	265,000	265,000	265,000
Undiv. profits, less expenses and taxes paid	389,067	447,716	510,499	225,915	315,885	417,141	347,457	383,479	414,888
National bank notes issued, less am't on hand	544,800	536,550	532,000	609,950	654,950	754,850	800,000	787,500	841,650
Due to other National banks	2,398,788	2,452,628	1,847,490	6,397,219	5,821,223	6,199,693	1,416,344	1,556,615	1,480,012
Due to State banks and bankers	678,898	554,260	423,385	6,625,785	6,169,268	6,140,137	1,104,774	1,325,768	1,396,983
Dividends unpaid	8,911	1,200	430	73	1,255	79	381	186	111
Individual deposits	7,119,073	7,096,338	7,135,244	16,842,041	16,875,318	17,852,844	2,217,802	2,427,605	2,003,644
U. S. deposits	100,000	100,000	100,000	3,649,551	3,558,344	4,642,008	50,000	50,000	50,000
Deposits of U. S. disbursing officers	......	......	......	......	353,006	......	......	......	......
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	25,000	......	......	......	......	......	......	......	......
Liabilities other than those above stated	7,500	7,500	7,500	12,331	23,290	8,198	......	......	......
Total	$13,587,039	$13,516,194	$12,876,549	$40,458,180	$39,622,537	$42,110,321	$7,401,759	$7,396,155	$7,650,740
Average reserve held	43.81 p. c.	45.85 p. c.	42.65 p. c.	39.07 p. c.	36.14 p. c.	39.72 p. c.	33.01 p. c.	23.11 p. c.	25.77 p. c.
* **Total lawful money reserve in bank**	$1,810,694	$1,758,168	$1,503,148	$4,288,517	$3,929,098	$3,817,394	$666,577	$602,946	$748,658

Resources.	Kansas City, Mo. Feb. 6, 1903.	Kansas City, Mo. Apr. 9, 1903.	Kansas City, Mo. June 9, 1903.	Lincoln, Neb. Feb. 6, 1903.	Lincoln, Neb. Apr. 9, 1903.	Lincoln, Neb. June 9, 1903.	Los Angeles, Cal. Feb. 6, 1903.	Los Angeles, Cal. Apr. 9, 1903.	Los Angeles, Cal. June 9, 1903.
Loans and discounts	$33,753,248	$36,987,525	$37,815,268	$2,623,692	$2,832,911	$3,068,684	$11,349,412	$15,611,129	$16,929,810
Overdrafts	416,971	556,851	635,439	23,284	31,401	37,101	104,962	213,833	165,577
U. S. bonds to secure circulation	1,845,600	1,875,600	2,222,600	160,000	160,000	260,000	1,465,000	2,065,000	2,490,000
U. S. bonds to secure U. S. deposits	1,764,000	1,783,040	1,764,000	110,000	110,000	110,000	400,000	400,000	400,000
U. S. bonds on hand	49,040	......	13,600	4,000	4,000	6,000	29,900	915,150	280,220
Premiums on U. S. bonds	21,937	21,937	28,375	10,870	10,870	15,057	64,397	202,572	156,413
Stocks, securities, etc	6,200,842	6,284,727	6,633,291	178,345	253,524	184,126	1,062,378	1,786,697	1,901,966
Banking house, furniture and fixture	397,361	397,361	397,361	78,158	78,148	78,148	441,746	469,032	469,358
Other real estate and mortgages owned	111,008	111,008	124,299	11,113	11,453	11,429	38,898	39,270	42,719
Due from National banks (not reserve agents)	3,899,920	3,604,669	3,362,570	508,922	545,691	516,476	1,377,460	1,904,274	2,217,299
Due from State banks and bankers	6,085,976	6,005,095	4,936,482	202,122	140,795	184,695	722,032	1,136,947	1,047,808
Due from approved reserve agents	11,709,853	13,876,591	11,875,160	647,862	621,603	591,715	2,255,667	2,862,781	3,327,258
Checks and other cash items	46,177	40,269	59,098	18,282	16,402	38,873	29,968	78,879	137,690
Exchanges for clearing-house	1,250,898	1,522,665	1,334,673	67,588	41,814	48,882	310,805	501,611	583,084
Bills of other National banks	208,572	235,845	286,170	11,690	9,645	11,020	48,830	65,389	95,432
Fractional paper currency, nickels and cents	12,172	11,367	10,236	1,319	1,241	2,005	3,214	6,203	5,339
*Lawful money reserve in bank, viz.:									
Gold coin	1,700,350	1,865,060	1,240,955	87,725	115,890	105,840	1,592,840	2,568,740	2,471,140
Gold Treasury certificates	987,810	1,387,540	1,376,230	1,200	1,060	4,100	106,900	194,690	258,790
Gold clearing-house certificates	300,000	......	......	......	......	......	201,000	333,000	270,000
Silver dollars	176,984	132,544	130,994	16,792	8,143	14,975	68,350	64,643	53,930
Silver Treasury certificates	917,596	1,056,466	1,459,283	2,476	1,800	1,100	34,552	90,444	97,821
Silver fractional coin	46,665	36,274	54,350	12,597	12,221	15,749	107,159	110,260	77,842
Legal-tender notes	789,355	594,350	637,105	120,273	146,974	139,960	170,525	105,930	164,648
U. S. certificate of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	92,280	93,780	111,130	8,000	8,000	13,000	70,750	88,250	123,250
Due from U. S. Treasurer	35,900	24,050	28,000	......	......	......	......	......	......
Total	$72,820,515	$78,504,920	$76,536,674	$4,906,315	$5,163,598	$5,453,939	$22,056,251	$31,814,680	$33,717,400
Liabilities.									
Capital stock paid in	$2,650,000	$2,650,000	$2,650,000	$400,000	$400,000	$400,000	$2,300,000	$3,800,000	$3,800,000
Surplus fund	1,179,000	1,204,000	1,204,000	139,000	144,000	144,000	300,000	800,000	800,000
Undiv. profits less expenses and taxes paid	1,781,697	1,827,870	1,943,634	65,944	51,149	66,577	690,083	773,493	881,137
National bank notes issued, less am't on hand	1,797,300	1,796,350	2,143,050	160,000	160,000	260,000	1,390,395	1,640,915	2,431,030
Due to other National banks	19,799,530	20,962,157	19,793,910	551,344	603,991	655,376	427,106	634,774	809,308
Due to State banks and bankers	15,961,950	19,446,080	17,564,553	1,018,465	1,052,499	1,136,418	800,901	1,395,306	1,363,327
Dividends unpaid	1,853	30,954	1,083	60	588	129	917	5,204	632
Individual deposits	27,855,970	28,804,534	29,454,587	2,466,828	2,641,466	2,681,515	15,246,908	22,310,512	23,181,988
U. S. deposits	1,681,043	1,678,145	1,667,358	108,811	109,530	109,300	297,574	299,450	346,726
Deposits of U. S. disbursing officers	16,858	16,218	12,965	861	368	628	102,364	100,447	103,304
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	95,311	88,607	100,526	......	......	......	500,000	54,576	......
Total	$72,820,515	$78,504,920	$75,536,674	$4,906,315	$5,163,598	$5,453,939	$22,056,251	$31,814,680	$33,717,400
Average reserve held	32.08 p. c.	32.90 p. c.	29.69 p. c.	27.66 p. c.	25.71 p. c.	23.87 p. c.	30.73 p. c.	29.38 p. c.	30.21 p. c.
* Total lawful money reserve in bank	$4,918,760	$5,072,234	$4,898,917	$241,063	$286,068	$281,724	$2,280,826	$3,467,707	$3,394,171

RESOURCES.	LOUISVILLE, KY. Feb. 6, 1903.	Apr. 9, 1903.	June 9, 1903.	MILWAUKEE, WIS. Feb. 6, 1903.	Apr. 9, 1903.	June 9, 1903.	MINNEAPOLIS, MINN. Feb. 6, 1903.	Apr. 9, 1903.	June 9, 1903.
Loans and discounts	$15,923,349	$16,294,650	$15,795,321	$25,896,850	$28,188,834	$27,838,219	$19,173,099	$19,330,464	$19,730,101
Overdrafts	23,908	35,702	37,382	485,745	446,694	505,589	8,139	4,791	28,835
U. S. bonds to secure circulation	4,350,000	3,850,000	2,900,000	662,500	762,500	1,612,500	1,150,000	1,150,000	1,300,000
U. S. bonds to secure U. S. deposits	3,310,800	3,293,800	2,543,800	1,247,500	1,247,500	1,247,500	450,000	450,000	466,000
U. S. bonds on hand	1,400	1,400	......	......	150,000	......	1,700	16,000	50,000
Premiums on U. S. bonds	94,437	94,437	82,937	58,662	73,600	110,350	4,940	4,940	14,158
Stocks, securities, etc	2,489,534	2,602,604	2,478,643	2,994,648	2,253,396	2,340,445	938,688	989,920	947,922
Banking house, furniture and fixtures	230,407	230,407	230,407	115,000	110,000	110,000	297,626	299,702	318,123
Other real estate and mortgages owned	117,046	116,383	116,420	81,401	81,248	84,425	30,000	30,000	30,000
Due from National banks (not reserve agents)	2,081,969	2,129,975	2,169,203	1,926,910	1,283,822	1,589,879	1,452,955	1,597,724	1,662,576
Due from State banks and bankers	1,087,859	1,080,345	943,950	893,088	958,691	1,066,974	753,474	823,722	601,878
Due from approved reserve agents	3,733,067	2,783,237	3,253,095	4,905,070	4,493,848	4,188,201	3,210,178	3,162,101	1,940,287
Checks and other cash items	15,334	44,711	26,943	14,993	45,225	52,494	52,435	34,813	86,567
Exchange for clearing-house	158,979	168,685	189,873	502,913	522,356	488,897	786,454	934,713	1,005,266
Bills of other National banks	144,899	170,857	176,317	54,843	72,335	50,369	87,253	134,925	77,341
Fractional paper currency, nickels and cents	4,180	3,367	4,211	8,163	9,509	3,673	6,151	5,952	8,545
*Lawful money reserve in bank, viz.:									
Gold coin	601,530	552,217	770,077	1,747,665	1,481,155	1,433,630	893,915	873,200	959,492
Gold Treasury certificates	155,000	242,500	155,000	550,000	640,000	730,000	264,200	461,200	435,500
Gold clearing-house certificates	60,000	60,000	......	......	......	......	200,000	......	......
Silver dollars	43,612	61,993	54,502	68,265	90,206	82,700	48,803	43,102	48,563
Silver Treasury certificates	68,252	65,000	48,763	118,702	91,295	126,554	33,283	30,506	32,500
Silver fractional coin	47,677	49,539	40,002	42,850	45,877	39,443	27,778	23,474	26,066
Legal-tender notes	1,470,409	902,646	1,299,682	1,166,050	1,371,904	1,616,908	815,000	842,000	554,301
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	217,500	192,500	145,000	33,125	33,125	80,625	57,500	57,500	65,500
Due from U. S. Treasurer	48,699	25,050	12,000	4,500	6,000	8,750	23,406	38,816	14,425
Total	$36,479,853	$35,052,013	$33,473,635	$43,579,447	$44,459,126	$45,408,129	$30,766,979	$31,359,571	$30,403,451
LIABILITIES.									
Capital stock paid in	$4,645,000	$4,645,000	$4,645,000	$4,250,000	$4,250,000	$4,250,000	$3,410,000	$3,450,000	$3,450,000
Surplus fund	1,792,500	1,792,500	1,792,500	1,315,000	1,315,000	1,315,000	1,055,000	1,055,000	1,055,000
Undiv. profits, less expenses and taxes paid	367,294	462,343	603,208	774,251	889,504	952,568	282,511	324,985	400,746
National bank notes issued, less am't on hand	4,345,550	3,850,000	2,900,000	662,500	661,700	1,601,500	1,145,950	1,118,000	1,289,900
Due to other National banks	6,018,265	5,149,115	5,006,928	4,838,549	4,333,381	4,458,115	5,965,944	6,015,089	5,695,633
Due to State banks and bankers	5,159,976	5,049,848	4,644,086	4,195,712	3,822,938	3,790,457	5,026,760	5,150,319	758,022
Dividends unpaid	5,524	4,073	3,975	1,094	1,461	180	1,987	8,779	420
Individual deposits	10,808,366	10,881,030	11,296,612	26,119,988	27,566,909	27,600,418	13,134,684	13,363,488	12,990,101
U. S. deposits	2,980,590	2,925,850	2,134,425	1,278,169	1,248,148	1,241,391	726,961	692,927	699,674
Deposits of U. S. disbursing officers	299,788	279,918	334,564	125,224	187,863	263,564	14,079	60,981	38,953
Notes and bills rediscounted	13,600	......	......	......	......	......	......	......	......
Bills payable	......	......	100,000	......	......	......	......	100,000	25,000
Liabilities other than those above stated	......	12,333	12,333	18,957	182,268	34,939	3,100	......	......
Total	$36,479,853	$35,052,013	$33,473,635	$43,579,447	$44,459,126	$45,408,129	$30,766,979	$31,339,571	$30,403,451
Average reserve held	34.08 p. c.	27.60 p. c.	32.40 p. c.	27.06 p. c.	24.94 p. c.	24.87 p. c.	26.38 p. c.	26.07 p. c.	20.19 p. c.
***Total lawful money reserve in bank**	$2,446,480	$1,933,896	$2,368,026	$3,693,532	$3,720,437	$4,029,235	$2,282,979	$2,273,482	$2,056,428

	NEW ORLEANS, LA.			OMAHA, NEB.			PHILADELPHIA, PA.		
RESOURCES.	*Feb. 6, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*	*Feb. 6, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*	*Feb. 6, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*
Loans and discounts	$15,078,072	$14,445,998	$15,451,174	$14,718,457	$16,600,916	$16,434,189	$149,089,067	$145,438,639	$150,119,188
Overdrafts	1,163,010	739,634	616,121	118,885	105,007	128,405	12,814	29,034	20,801
U. S. bonds to secure circulation	1,060,000	1,060,000	1,500,000	1,250,000	1,250,000	1,250,000	9,939,500	10,519,500	11,144,500
U. S. bonds to secure U. S. deposits	550,000	550,000	550,000	1,000,000	1,000,000	1,000,000	5,043,500	5,034,500	5,101,500
U. S. bonds on hand	3,090	2,660	2,660	10,500	10,700	10,600	9,700	9,700	32,500
Premiums on U. S. bonds	14,388	14,388	14,388	126,914	117,092	115,080	436,706	464,209	486,163
Stocks, securities, etc	2,536,144	2,639,094	2,785,214	1,732,849	1,852,394	2,002,796	28,518,672	27,312,218	28,587,185
Banking house, furniture and fixtures	596,657	596,657	596,657	577,160	577,160	577,160	3,737,618	3,743,501	3,743,520
Other real estate and mortgages owned	37,441	37,456	31,456	84,411	34,204	34,171	610,464	624,868	618,397
Due from National banks (not reserve agents)	718,475	1,046,981	981,567	1,540,800	1,571,408	1,779,824	21,258,236	20,702,970	22,571,229
Due from State banks and bankers	1,015,077	1,201,525	1,146,693	1,113,439	808,139	1,128,346	4,622,343	5,112,251	5,158,812
Due from approved reserve agents	2,551,419	2,592,985	2,555,746	3,416,827	3,030,977	2,928,805	32,664,527	30,943,974	31,238,409
Checks and other cash items	31,394	31,322	39,267	106,126	90,671	82,570	1,826,537	2,045,278	1,920,417
Exchanges for clearing-house	1,550,201	1,388,548	1,692,182	654,466	608,441	655,374	17,464,084	14,605,766	15,790,374
Bills of other National banks	146,165	77,692	123,077	108,477	126,577	98,473	293,186	339,029	432,087
Fractional paper currency, nickels and cents	14,588	11,186	6,046	4,766	3,491	3,039	56,255	49,381	55,475
*Lawful money reserve in bank, viz.:									
Gold coin	129,175	117,089	136,290	901,237	892,835	1,060,200	1,575,478	1,696,500	1,854,975
Gold Treasury certificates	506,190	395,980	417,730	177,000	270,000	336,500	1,887,630	1,993,400	7,522,720
Gold clearing-house certificates	490,000	320,000	275,000	......	......	......	11,995,000	8,240,000	6,060,000
Silver dollars	78,023	82,792	44,153	126,944	110,721	134,756	214,635	231,958	282,896
Silver Treasury certificates	582,018	492,751	750,463	373,248	403,886	386,901	3,444,467	3,556,151	4,667,665
Silver fractional coin	55,740	49,439	34,547	104,211	81,714	81,423	404,505	405,550	425,985
Legal-tender notes	657,463	686,620	727,991	1,025,112	1,110,994	1,216,948	3,048,784	2,821,574	3,437,426
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas	53,000	53,000	53,000	62,500	62,500	62,500	495,725	493,475	555,725
Due from U. S. Treasurer	1,350	1,000	7,450	7,749	31,999	4,699	78,758	188,925	124,655
Total	$29,608,990	$28,634,751	$30,538,875	$29,286,587	$30,751,831	$31,512,265	$298,678,149	$286,602,355	$301,941,009
LIABILITIES.									
Capital stock paid in	$2,000,000	$2,000,000	$2,400,000	$3,250,000	$3,250,000	$3,250,000	$21,405,000	$20,905,000	$21,905,000
Surplus fund	3,025,000	3,025,000	3,225,000	565,000	565,000	565,000	21,840,000	21,390,000	23,655,000
Undiv. profits, less expenses and taxes paid	303,916	460,471	590,744	247,037	238,135	284,917	4,615,132	5,189,374	3,805,642
National bank notes issued, less am't on hand	1,051,545	1,045,445	1,488,995	1,250,000	1,247,700	1,250,000	9,775,835	9,912,535	10,982,785
Due to other National banks	3,129,880	2,607,126	2,374,098	5,393,504	5,569,785	5,912,994	64,421,794	61,816,142	64,409,737
Due to State banks and bankers	1,825,424	1,857,717	1,803,417	4,192,732	4,735,315	5,065,827	41,516,653	36,705,990	41,116,675
Dividends unpaid	5,537	3,559	2,754	175	1,847	150	31,231	25,565	41,388
Individual deposits	16,714,223	16,324,966	16,985,409	13,385,770	14,151,614	14,177,101	129,176,280	124,508,805	129,446,916
U. S. deposits	500,000	500,000	500,000	715,988	714,318	702,188	5,606,046	5,674,557	5,623,122
Deposits of U. S. disbursing officers	10,763	10,464	10,155	286,378	278,104	304,086	235,175	238,365	157,791
Notes and bills rediscounted	50,000	......	......	......	......	......	......	......	......
Bills payable	100,000	200,000	500,000	......	......	......	30,000	......	......
Liabilities other than those above stated	872,700	600,000	658,300	......	......	......	25,000	236,020	847,000
Total	$29,608,990	$28,634,751	$30,538,875	$29,286,587	$30,751,831	$31,512,265	$298,678,149	$286,602,355	$301,941,009
Average reserve held	27.95 p. c.	28.03 p. c.	26.51 p. c.	31.19 p. c.	26.74 p. c.	28.49 p. c.	29.08 p. c.	27.63 p. c.	29.33 p. c.
* Total lawful money reserve in bank	$2,498,605	$2,144,671	$2,386,174	$2,707,753	$2,870,150	$3,216,728	$22,570,449	$18,945,188	$24,251,617

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	PITTSBURG, PA.			PORTLAND, ORE.			ST. JOSEPH, MO.		
RESOURCES.	Feb. 6, 1903.	Apr. 9, 1903.	June 9, 1903.	Feb. 6, 1903.	Apr. 9, 1903.	June 9, 1903.	Feb. 6, 1903.	Apr. 9, 1903.	June 9, 1903.
Loans and discounts	$111,291,173	$115,564,565	$114,901,611	$4,557,580	$5,483,384	$5,569,229	$5,846,878	$6,814,477	$6,755,408
Overdrafts	113,657	200,047	272,090	245,342	341,673	450,080	31,855	36,943	30,227
U. S. bonds to secure circulation	6,735,000	6,545,000	8,290,000	850,000	850,000	1,050,000	450,000	450,000	505,000
U. S. bonds to secure U. S. deposits	3,504,000	3,504,000	3,504,000	1,000,000	1,000,000	1,000,000	185,680	235,680	235,680
U. S. bonds on hand	1,000	1,000	227,000	2,300	2,300	4,300	2,000	2,300	101,800
Premiums on U. S. bonds	423,418	451,724	513,082	42,734	42,734	55,364	26,687	30,237	38,227
Stocks, securities, etc	15,180,139	16,119,253	19,609,867	3,454,185	3,376,405	2,920,040	175,055	151,055	238,608
Banking house, furniture and fixtures	6,477,147	7,057,795	7,107,804	240,878	235,685	239,706	85,695	85,698	84,000
Other real estate and mortgages owned	524,250	399,511	467,179	134,370	128,797	131,526	......	......	......
Due from National banks (not reserve agents)	6,022,849	8,236,626	6,828,058	596,109	590,829	897,885	1,230,441	905,355	869,133
Due from State banks and bankers	1,284,845	1,623,345	2,299,663	431,550	348,976	296,506	330,728	377,745	371,827
Due from approved reserve agents	18,219,388	12,158,403	8,267,073	1,376,966	1,348,720	1,491,961	2,144,838	1,481,214	1,655,009
Checks and other cash items	680,316	766,003	550,335	39,167	42,343	53,178	44,571	43,556	20,201
Exchanges for clearing-house	4,888,405	5,707,510	5,649,894	133,002	86,661	109,944	124,673	154,969	228,265
Bills of other National banks	496,639	528,296	707,856	3,375	5,070	6,260	28,655	36,240	35,380
Fractional paper currency, nickels and cents	28,863	22,864	24,640	4,067	4,271	3,337	2,346	3,039	3,698
*Lawful money reserve in bank, viz.:									
Gold coin	3,845,871	3,719,163	4,057,596	1,959,040	1,811,495	1,682,745	355,812	423,442	401,315
Gold Treasury certificates	3,950,340	3,935,380	4,255,670	......	......	......	38,090	51,240	83,900
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	324,477	356,457	400,300	15,205	17,021	17,187	53,892	75,890	76,272
Silver Treasury certificates	2,908,996	2,860,675	3,701,615	1,720	10,827	11,318	307,765	220,802	155,411
Silver fractional coin	229,244	155,689	180,404	29,787	38,798	38,498	16,421	25,966	28,458
Legal-tender notes	4,719,198	4,386,338	5,003,151	16,258	12,076	27,800	232,972	275,718	371,670
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	330,900	312,350	405,696	42,500	42,500	52,500	22,500	22,500	25,250
Due from U. S. Treasurer	193,926	54,479	105,185	......	2,250	1,250	5,000	2,000	1,350
Total	$187,374,042	$194,666,481	$197,329,777	$15,176,110	$15,772,765	$16,110,617	$11,642,504	$11,906,092	$12,815,094
LIABILITIES.									
Capital stock paid in	$20,000,000	$20,000,000	$20,037,100	$1,050,000	$1,050,000	$1,050,000	$550,000	$550,000	$550,000
Surplus fund	20,010,000	20,010,000	19,111,750	180,000	180,000	180,000	180,000	180,000	175,000
Undiv. profits, less expenses and taxes paid	6,418,799	6,910,445	6,948,394	783,158	818,356	946,735	161,412	188,113	181,949
National bank notes issued, less am't on hand	6,665,397	6,534,097	7,948,127	839,500	824,250	1,037,700	450,000	450,000	505,000
Due to other National banks	20,915,108	21,499,176	23,644,685	1,684,468	1,881,219	1,855,960	1,540,987	1,761,553	1,782,534
Due to State banks and bankers	18,885,140	17,475,118	18,071,579	1,579,052	1,682,212	1,502,777	3,458,569	3,846,964	3,586,575
Dividends unpaid	48,889	39,597	34,479	1,187	1,730	252	......	......	......
Individual deposits	88,973,744	95,537,572	91,631,428	8,072,658	8,440,835	8,607,111	5,095,892	5,173,880	5,878,359
U. S. deposits	3,825,704	3,814,620	3,911,859	403,501	306,826	326,307	251,257	301,773	256,713
Deposits of U. S. disbursing officers	127,634	130,806	239,816	582,583	587,334	608,772	4,384	3,807	3,963
Notes and bills rediscounted	500,000	160,000	431,000	......	......	......	......	......	......
Bills payable	210,000	115,000	375,000	......	......	......	......	......	......
Liabilities other than those above stated	793,623	2,440,048	4,944,556	......	......	......	......	......	......
Total	$187,374,042	$194,666,481	$197,329,777	$15,176,110	$15,772,765	$16,110,617	$11,642,504	$11,906,092	$12,815,094
Average reserve held	25.44 p. c.	23.52 p. c.	22.26 p. c.	32.00 p. c.	28.39 p. c.	29.51 p. c.	36.66 p. c.	29.25 p. c.	30.44 p. c.
* Total lawful money reserve in bank	$15,978,127	$15,413,706	$17,598,736	$2,022,010	$1,890,212	$1,777,543	$904,925	$1,078,059	$1,117,026

RESOURCES.	ST. LOUIS, MO.			ST. PAUL, MINN.			SALT LAKE CITY, UTAH.		
	Feb. 6, 1903.	Apr. 9, 1903.	June 9, 1903.	Feb. 6, 1903.	Apr. 9, 1903.	June 9, 1903.	Feb. 6, 1903.	Apr. 9, 1903.	June 9, 1903.
Loans and discounts	$84,842,485	$90,880,742	$86,996,169	$14,848,514	$15,458,747	$15,759,958	$2,996,655	$3,209,870	$3,440,134
Overdrafts	112,559	100,186	111,514	3,796	1,565	6,590	257,723	310,651	307,586
U. S. bonds to secure circulation	12,420,640	11,270,640	11,345,640	696,000	696,000	846,000	1,050,000	1,050,000	1,050,000
U. S. bonds to secure U. S. deposits	3,103,110	3,103,150	3,103,150	1,547,000	1,547,000	1,547,000	600,000	600,000	600,000
U. S. bonds on hand	500	500	500	......	......	320	......	......	......
Premiums on U. S. bonds	234,700	201,450	143,422	......	......	3,242	37,875	37,875	37,875
Stocks, securities, etc	5,445,959	6,374,735	6,552,858	2,774,689	2,894,956	2,927,851	371,408	400,478	412,586
Banking house, furniture and fixtures	1,200,000	1,200,000	1,206,349	535,218	535,218	535,598	147,857	147,857	147,857
Other real estate and mortgages owned	63,098	68,358	66,823	109,884	109,884	107,884	46,775	46,589	42,078
Due from National banks (not reserve agents)	15,188,291	15,230,485	15,448,167	1,329,448	1,130,145	1,510,115	598,394	489,569	664,044
Due from State banks and bankers	4,526,056	5,464,590	4,683,806	361,763	417,328	403,890	342,858	298,064	354,016
Due from approved reserve agents	......	......	......	4,686,504	3,412,903	3,438,570	712,612	527,551	352,900
Checks and other cash items	502,185	442,066	370,790	187,413	120,550	125,954	8,425	18,697	4,135
Exchanges for clearing-house	3,307,814	2,758,627	1,574,615	345,252	403,989	352,835	54,679	69,706	91,488
Bills of other National banks	218,219	218,398	155,734	117,223	123,002	174,171	21,144	16,040	32,339
Fractional paper currency, nickels and cents.	3,937	5,256	4,361	7,373	5,296	4,390	1,855	1,924	1,228
*Lawful money reserve in bank, viz.:									
Gold coin	1,975,815	1,769,653	2,154,352	1,672,083	1,405,963	1,564,789	858,536	873,348	839,341
Gold Treasury certificates	6,555,870	12,382,280	12,587,960	90,800	355,700	335,200	7,780	4,070	100
Gold clearing-house certificates	4,450,000	......	......	300,000	......	......	......	......	......
Silver dollars	74,672	87,966	58,017	121,820	107,100	147,700	48,098	45,558	34,856
Silver Treasury certificates	2,132,009	2,195,798	2,089,356	164,327	177,699	70,278	4,031	3,239	6,117
Silver fractional coin	23,276	3,629	82,897	36,103	73,428	61,153	15,179	15,406	20,949
Legal-tender notes	4,292,607	3,949,166	4,632,618	435,899	412,404	372,725	104,028	55,390	45,860
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	621,030	543,232	532,782	34,800	34,050	39,800	52,500	52,500	52,500
Due from U. S. Treasurer	44,800	57,000	69,800	39,400	5,800	23,500	......	......	......
Total	$151,339,083	$158,334,852	$153,921,182	$30,445,311	$29,423,683	$30,359,510	$8,338,213	$8,268,914	$8,537,495
LIABILITIES.									
Capital stock paid in	$15,400,000	$15,400,000	$15,500,000	$3,800,000	$3,800,000	$4,000,000	$1,100,000	$1,100,000	$1,100,000
Surplus fund	10,250,000	10,350,000	10,350,000	1,005,000	1,005,000	1,005,000	332,500	332,500	332,500
Undiv. profits, less expenses and taxes paid.	4,456,415	4,677,304	4,867,249	513,502	514,070	564,195	251,100	282,858	298,924
National bank notes issued, less am't on hand	12,345,545	11,238,937	11,197,287	649,220	648,170	748,770	985,000	964,150	979,400
Due to other National banks	27,301,570	32,229,581	32,265,729	4,515,888	3,894,239	4,401,298	155,599	200,741	204,838
Due to State banks and bankers	28,385,325	29,054,992	27,765,900	3,631,379	3,401,729	3,129,266	639,746	595,182	691,068
Dividends unpaid	6,372	18,363	10,330	2,553	2,866	397	3,520	384	506
Individual deposits	48,824,695	50,943,921	47,488,724	14,839,625	14,621,715	14,991,785	4,268,263	4,188,564	4,326,963
U. S. deposits	4,256,389	4,245,555	4,261,445	1,078,269	1,201,332	1,144,231	538,637	553,977	536,389
Deposits of U. S. disbursing officers	12,131	21,027	35,205	409,873	334,559	374,564	58,026	43,370	60,046
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	100,638	155,168	179,311	......	......	......	809	7,186	6,857
Total	$151,339,083	$158,334,852	$153,921,182	$30,445,311	$29,423,683	$30,359,510	$8,338,213	$8,268,914	$8,537,495
Average reserve held	24.77 p. c.	23.67 p. c.	25.79 p. c.	35.57 p. c.	29.64 p. c.	29.51 p. c.	42.27 p. c.	37.96 p. c.	31.72 p. c.
* Total lawful money reserve in bank	$19,503,749	$20,415,487	$21,552,200	$2,821,032	$2,532,295	$2,551,840	$1,032,947	$997,043	$947,224

RESOURCES.	SAN FRANCISCO, CAL. Feb. 6, 1903.	Apr. 9, 1903.	June 9, 1903.	SAVANNAH, GA. Feb. 6, 1903.	Apr. 9, 1903.	June 9, 1903.	WASHINGTON, D. C. Feb. 6, 1903.	Apr. 9, 1903.	June 9, 1903.
Loans and discounts	$24,261,105	$26,703,152	$26,085,326	$2,041,265	$2,043,397	$2,008,153	$13,166,691	$14,132,526	$15,480,796
Overdrafts	216,472	428,399	145,886	984	1,169	318	7,852	15,396	8,001
U. S. bonds to secure circulation	4,730,000	4,975,000	4,975,000	200,000	200,000	300,000	1,219,000	1,219,000	1,269,000
U. S. bonds to secure U. S. deposits	1,424,000	1,424,000	1,424,000	127,000	127,000	127,000	451,000	3,551,000	3,566,000
U. S. bonds on hand	3,228,600	3,397,920	412,200	......	......	......	148,060	157,670	48,760
Premiums on U. S. bonds	580,837	599,604	298,527	1,500	1,500	7,500	67,124	68,186	193,957
Stocks, securities, etc	2,437,379	2,582,020	2,715,211	25,974	26,024	26,074	1,564,092	1,572,313	1,564,541
Banking house, furniture and fixtures	341,323	342,988	343,017	54,131	54,131	54,181	1,284,621	1,287,740	1,209,052
Other real estate and mortgages owned	......	......	......	29,632	29,744	29,744	106,105	106,105	187,105
Due from National banks (not reserve agents)	1,828,408	1,654,810	1,120,794	38,592	21,543	45,306	2,146,512	2,421,768	2,335,108
Due from State banks and bankers	4,012,826	3,556,333	2,890,367	8,723	6,355	13,899	364,565	327,303	298,402
Due from approved reserve agents	3,017,276	2,294,819	2,940,879	197,907	95,796	61,758	3,619,075	6,209,760	3,450,412
Checks and other cash items	18,303	14,550	18,925	......	......	......	209,548	199,918	154,511
Exchanges for clearing-house	1,190,351	740,679	1,114,207	17,101	......	37,965	290,498	464,508	491,755
Bills of other National banks	91,551	48,137	154,262	9,000	10,000	7,000	5,795	8,935	5,460
Fractional paper currency, nickels and cents	3,745	6,854	3,575	1,057	2,236	2,083	9,129	7,725	6,629
*Lawful money reserve in bank, viz.:									
Gold coin	4,323,640	4,234,175	3,393,932	5,500	50,000	10,000	79,765	94,032	80,608
Gold Treasury certificates	3,110	2,680	710,430	63,000	45,000	21,000	1,567,060	2,055,270	1,222,520
Gold clearing-house certificates	1,380,000	1,445,000	300,000	......	......	......	50,000	50,000	......
Silver dollars	145,0 6	98,768	85,510	8,000	16,000	9,000	8,075	6,492	8,736
Silver Treasury certificates	11,723	19,143	52,508	38,800	58,020	33,200	707,091	643,441	633,596
Silver fractional coin	170,684	173,578	175,911	11,131	26,500	22,000	71,647	46,196	56,778
Legal-tender notes	18,782	39,358	125,767	20,427	22,471	24,430	396,044	252,348	200,650
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	232,750	248,750	248,750	10,000	10,000	15,000	55,950	55,950	60,950
Due from U. S. Treasurer	......	2,450	1,650	2	2	2	5,500	......	6,450
Total	$53,667,875	$55,033,172	$49,736,641	$2,909,731	$2,846,893	$2,855,563	$27,600,805	$34,953,669	$32,539,778
LIABILITIES.									
Capital stock paid in	$6,850,000	$7,350,000	$7,500,000	$750,000	$750,000	$750,000	$2,775,000	$2,775,000	$3,425,000
Surplus fund	3,560,000	3,685,000	3,685,000	225,000	225,000	225,000	1,946,500	1,946,500	2,566,665
Undiv. profits, less expenses and taxes paid	601,422	784,409	977,807	135,882	150,254	164,716	445,362	542,636	379,371
State bank notes outstanding	4,5 3,597	4,799,432	4,876,647	196,095	197,295	294,100	1,084,225	1,072,415	1,127,850
Due to other National banks	3,203,051	3,749,750	3,399,505	298,861	158,698	123,244	517,285	399,666	432,014
Due to State banks and bankers	8,508,782	8,306,386	7,228,213	250,274	292,118	239,064	942,356	991,343	918,297
Dividends unpaid	4,376	1,747	672	291	59	41	6,804	6,009	4,372
Individual deposits	21,675,111	21,469,151	20,613,269	832,369	838,180	667,411	19,421,799	20,441,487	19,167,944
U. S. deposits	4,736,273	4,711,997	1,429,898	58,538	70,187	83,821	412,119	6,489,814	4,392,926
Deposits of U. S. disbursing officers	......	......	......	72,941	57,598	43,663	......	67,545	64,445
Notes and bills rediscounted	......	......	......	......	......	......	46,458	......	......
Bills payable	......	......	......	93	107,500	265,000	......	......	......
Liabilities other than those above stated	25,251	175,297	25,627	9	......	......	2,900	221,250	60,890
Total	$53,667,875	$55,033,172	$49,736,641	$2,909,731	$2,846,893	$2,855,563	$27,600,805	$34,953,669	$32,539,778
Average reserve held	35.42 p. c.	31.09 p. c.	30.95 p. c.	25.78 p. c.	24.74 p. c.	20.26 p. c.	34.27 p. c.	46.97 p. c.	30.50 p. c.
*Total lawful money reserve in bank	$6,052,945	$6,012,702	$4,844,059	$146,855	$217,991	$119,630	$2,879,682	$3,147,799	$2,202,888

MONEY. TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, July 1, 1903.

A SHARP DECLINE IN THE PRICE OF SECURITIES and an extraordinary rise in the price of cotton were important features of the month just closed. As regards the latter, there is little to be said more than that speculative interests have been operating a "corner," and the advance to more than thirteen cents per pound is considered neither legitimate nor yet beneficial to either producers or manufacturers of cotton. In fact, owing to the high price of cotton, mills have been shutting down rather than manufacture at a loss. The general influence of the cotton "corner" has been anything but favorable upon other markets.

The weather has been an irrepressible factor for several weeks past. First there was a drought of long duration and wide extent. More recently we have had floods which have caused much destruction, and which also have, with the continuous rains which accompanied them, put a portion of our growing crops in doubt. The unseasonable weather in June has unfavorably affected retail business of all kinds, and this is apt to have considerable influence.

The labor question has been more or less prominent throughout the month. At first it looked as though there might be another strike among the anthracite coal workers, but that has happily been averted. The strikes in the building trades in New York, however, are still unsettled, and thousands of workmen are in idleness, while millions of dollars of capital are earning nothing because of the failure of capital and labor to come to an agreement.

More intimately related to the financial situation has been the litigation concerning the United States Shipbuilding Company, which has resulted in the appointment by Judge Andrew Kirkpatrick in the United States Court at Newark, N. J., of a receiver for the company. The controversy before the court developed the fact that the capitalization was largely in excess of the value of the property. In fact, the proposed plan of reorganization, which caused the application for a receiver, provided for reducing the total stock and bond issues from $69,500,000 to $43,000,000. The fact that a company organized with so large a capital only about a year ago, on June 17, 1902, and with which very prominent names in the business and financial world were connected, should be alleged to be insolvent, was viewed as very unfortunate. It was not until the last day of the month that the Judge decided to appoint a receiver, and the effect of that is yet to be disclosed.

The change which has taken place in Wall Street has rarely been paralleled in the history of that place of revulsions and revolutions. From transactions of 1,000,000 and even up to 3,000,000 shares a day, the business of the New York Stock Exchange fell to about 200,000 shares. Six years ago it was not unusual for a day's sales to amount to less than 200,000 shares, and there were days when a total of 100,000 shares was not recorded; but the wonderful records made since those days cause the present dullness to seem unprecedented.

Opinions are at wide variance as to the causes of the present stagnation and as to its probable continuance. The professional operators on either side of the market have reasons to give which are as conflicting as their own interests. Impartial observers who at first were inclined to think that only bears had sold stocks and that they had sold themselves "into a hole," have either changed their views or decided to quit predicting. The smash in prices which occurred on June 10 has not been followed by the buying movement which was anticipated. Nor does there appear to be any present indication of a disposition to pick up the many "bargains" that have been created by the recent decline.

The very dullness of the stock market, taken in connection with the very severe decrease in values which has occurred, suggests that many people who were formerly buying stocks have been hurt or scared so badly that they are either not able or willing to buy now. There must have been tremendous losses on the long side in the last few months. People who bought stock, say in the spring of last year, and held on until June this year, have seen a severe depreciation in their investments. Few stocks show a smaller decline than ten per cent., while a very large number show losses of twenty per cent. and over. The extent of the decline is suggested in the following partial list of stocks which have experienced the heaviest fall. The table shows the total decline, comparing the lower prices of last month with the highest prices this year and last year:

	Decline from highest price in			*Decline from highest price in*	
	1903.	*1902.*		*1903.*	*1902.*
	p. c.	p. c.		p. c.	p. c.
Atchison	26⅛	31⅞	Pullman	29¾	44
Baltimore and Ohio	24⅛	39	Reading	27⅞	37⅛
Canadian Pacific	21¼	27¾	Reading, 2d preferred	31	20⅝
Central of New Jersey	27	35	Rock Island	22⅝	18⅞
Chic., Mil. and St. Paul	35¾	51¼	St. Louis and San Francisco	21⅛	16⅛
Chic. and Northwestern	58⅝	104⅞	St. Louis & Southwest'rn, pref.	31	45
Colorado Fuel and Iron	23⅛	51⅛	Southern Pacific	22¼	35¼
Consolidated Gas	35	43¾	Tennessee Coal and Iron	21	26⅞
Del., Lack. and Western	31⅛	52	Union Pacific	27⅝	36¼
Illinois Central	20⅞	43⅝	Amalgamated Copper	24⅝	28
Iowa Central	25⅛	29½	American Sugar	18⅞	19⅝
Kansas City Southern, pref.	21¾	24¼	Anaconda Copper	42⅛	63
Lake Erie and Western	27¼	46¾	General Electric	31⅛	161⅛
Long Island	23	31⅞	International Power	34¼	160¼
Louisville and Nashville	25	54	National Lead	14⅛	16⅝
Manhattan	20⅝	23⅛	Pressed Steel Car	14¾	12⅛
Metropolitan Street	21⅝	52¾	United States Leather, pref.	13⅜	7⅞
Minneapolis and St. Louis	40	45	United States Rubber, pref.	12	18
New York Central	31⅞	44¾	United States Steel	11⅛	18⅜
Pennsylvania	34⅝	47	United States Steel, pref.	11⅝	19⅝

There has been more or less of late a feeling that, in the matter of new issues of securities, there has been an over-indulgence. That there has been too much of creating capital out of nothing, and while there has been not only a failure to "digest" new issues, there is also a lack of nutrition in many issues, both digested and undigested. As this opinion gained recognition, it was only natural that securities of recognized merit should pass under a cloud. A case in point is the new issue of $75,000,000 of Pennsylvania Railroad stock. The entire issue was subscribed for last month, and the underwriting syndicate, it is understood, will not have to take any of the stock. Yet concerning this issue there is some interesting financial history.

Last January, when financial skies seemed cloudless and there appeared to be no limit to the resources or confidence of investors, it was announced that the Pennsylvania Railroad would issue $200,000,000 of new stock from time to time. When this news came out the stock was quoted at 157. In May the price had fallen to 125. It was decided to issue $75,000,000, and a syndicate of bankers agreed to underwrite the issue at 120, receiving as a commission 2½ per cent. The company will, therefore, realize $90,000,000 in cash less $2,500,000 paid to the syndicate.

Only a short time prior to the subscriptions being received the stock was quoted in the market at 123. It was a question whether the stock could be sold, yet the issue was an unqualified success, and was the one strongly favorable influence which improved the financial situation at the end of the month.

It was also announced on the last day of the month that the extension of $21,-500,000 of Chicago, Burlington and Quincy bonds, maturing on July 1 had been successfully accomplished, and the syndicate which had underwritten that operation would not be called upon to make any payment.

The railroads are still in the enjoyment of an exceptional prosperity, although the gains in earnings and profits cannot be expected to increase as in the last few years. The Interstate Commerce Commission in the report for the year ended June 30, 1902, shows that the gross earnings from the operation of the railways in the United States, embracing 200,154 miles, were $1,726,380,267, an increase of $137,-854,230 over those of the previous year. The net earnings, after deducting operating expenses, were $610,131,520 an increase of $52,002,753. The amount of dividends declared during the year was $185,391,655 as compared with $156,735,784 in the previous year, an increase of nearly $29,000,000. These are very substantial gains, but the year just closed will hardly equal them, at least as far as profits are concerned.

So great has been the increase in cost of operation caused by higher wages for labor and higher prices for materials that in many cases all the increase in gross earnings has been swallowed up in increased expenditures. The Atchison Railroad reports an increase of more than $3,000,000 in gross earnings from July 1 to May 31, and a decrease of nearly $700,000 in net earnings. The Southern Pacific from July 1 to April 30 gained gross nearly $2,800,000, and lost in net earnings $2,000,000. The Southern Railway gained $3,700,000 gross and only $335,000 net. The Union Pacific gained nearly $2,500,000 gross and less than $150,000 net.

The New York Central has just published its earnings for the first half of the current calendar year, those for June being partly estimated, and they show in a striking manner how increased expenses are affecting net earnings. We show first the gross and net earnings of the Lake Shore and the Michigan Central roads for the first half of each of the last five years:

January 1 to June 30.	Lake Shore.		Michigan Central.	
	Gross.	Net.	Gross.	Net.
1899	$11,005,132	$3,440,949	$7,156,000	$1,762,000
1900	12,728,383	4,684,730	8,208,605	1,749,520
1901	13,690,219	4,754,422	8,815,957	1 777,995
1902	14,254,140	4,403,729	9,089,574	1,830,326
1903	16,878,000	3,837,000	10,729,000	1,821,000

In the case of both these roads, while the gross earnings have increased considerably, the net earnings are smaller than they were last year. Compared with 1899 Lake Shore gained $5,800,000 gross and only about $400,000 net and Michigan Central $3,500,000 gross and only $60,000 net.

For the New York Central we have the figures for the full year ended June 30, with partial estimates for June. The gross and net earnings and surplus for dividends yearly since 1899 were:

Year Ended June 30.	Gross Earnings	Net Earnings.	Surplus.
1899	$48,124,016	$17,952,859	$5,687,875
1900	54,562,951	20,511,366	7,977,027
1901	66,393,111	23,744,894	7,742,183
1902	70,903,868	24,040,379	8,016,717
1903	77,538,100	24,157,300	8,714,000

Here a gain of $6,600,000 in gross earnings over the previous year is shown and a gain in the net earnings of only $117,000, while the increase in profits is only about $700,000. The New York Central is not alone in showing such a state of affairs, many other roads finding that they are getting only a small share of the results of prosperity.

There are many evidences that the era of prosperity through which the country has been passing has not yet come to an end, and they give hope that there is still a measure of prosperity yet to be enjoyed. Investors are in many cases receiving large returns in the way of dividends and interest. The "Journal of Commerce" of this city estimates that $136,800,000 will be disbursed for July payments on stocks and bonds in New York. This represents only the payments of the principal corporations and institutions. They are classified and compared with January, 1903, and July, 1902, as follows:

DIVIDEND PAYMENTS ON STOCKS.

	July, 1903.	*January, 1903.*	*July, 1902.*
Railroad	$22,700,000	$21,952,160	$22,253,960
Industrial	30,500,000	29,982,500	26,781,030
New York traction	1,850,000	1,730,000	1,890,000
Bank and trust companies	5,750,000	5,008,100	4,508,750
Total	$60,800,000	$58,672,760	$54,933,740

INTEREST PAYMENTS.

	July, 1903.	*January, 1903.*	*July, 1902.*
Railroad	$58,500,000	$57,918,035	$55,729,150
Industrial	8,000,000	7,588,940	6,736,820
New York traction	4,500,000	1,747,540	1,716,845
Government	3,400,000	4,561,478	4,561,798
Greater New York city	1,600,000	1,750,000	1,700,000
Total	$76,000,000	$73,565,993	$70,444,613
Grand total	136,800,000	132,238,752	125,378,353

While the disbursements in July will undoubtedly largely exceed those of the same month in any previous year, the fact is not to be ignored that there has been a very large increase in the capital issues of the corporations, particularly industrial concerns. The "Journal of Commerce" says: "The absence of a larger increase in the amount of dividends on industrial stocks is more significant than the actual increase itself."

The general conditions which make for prosperity are as a rule still favorable. The report of the Government on the condition of the growing crops on July 1, will be awaited with considerable interest because of the weather conditions which prevailed in June. The report for June 1 was very encouraging, and upon it were based estimates of a yield of 483,000,000 bushels of winter wheat and 298,000,000 bushels of spring wheat, making a total of 781,000,000 bushels. This would mean an increase of 111,000,000 bushels over the yield of 1902 and of 83,000,000,000 bushels over the crop of 1901, the largest ever harvested. A large demand for our wheat abroad is practically assured and therein lies a very strong element of prosperity.

The iron trade is still recognized as the barometer of the general business situation, and there have been rumors of a general lowering of prices. Representatives of the United States Steel Corporation have, however, announced that no change is to be made in the prices of finished steel products for the year 1904. The price at mill of steel rails remains at $28 per ton, which price has ruled for three years. Orders for 250,000 tons have been booked for 1904 by that corporation, and it is said that the full capacity of all the mills for the next seven or eight months has been sold.

The production of pig iron continues to exceed all previous records. In May this country produced 1,758,000 tons and on June 1 the weekly capacity of furnaces in blast was 398,139 tons, an increase of nearly 54,000 tons compared with a year ago. The present rate of production is nearly 21,000,000 tons a year.

While production of iron has been increasing, imports have also grown very rapidly, and will probably amount to $50,000,000 in the fiscal year just ended. Not since 1891 have these imports reached such a total, and in 1899 they were only about $12,000,000.

In another industry closely allied to the iron trade there is also a largely increased production. There is promise of a larger output of anthracite coal during the present calendar year than in any previous year. For the first six months of 1903 the production amounted to 31,848,545 tons, while the total for the entire year 1902 was only 31,200,890 tons. The strike last year reduced the production in the last half of 1902 to practically nothing. In June of that year the output was only 92,203 tons, while this year it was 5,400,000 tons. The largest yield in any year was 53,568,601 tons in 1901, and in the absence of further strikes this year's record will probably be 60,000,000 tons.

It is at this time of year that the Government closes up its accounts for the fiscal year, and its finances are in excellent shape. During the year just ended the receipts have exceeded the disbursements by $52,710,936, and there was in the Treasury on June 30 a cash balance of $231,545,012, an increase for the year of $19,357,651. There is $631,000,000 of gold in the Treasury, of which the Government owns $252,000,000.

Under the Treasury circular of March 26 last there have been refunded into two per cent. bonds $74,202,400 of other bonds, reducing the annual interest charge $1,339,962. The Government purchased during the year $16,529,600 bonds for the sinking fund, reducing the annual interest charge $661,437. On June 29 the Secretary of the Treasury announced that refunding would cease on July 31.

There has been a large increase in the volume of circulation during the year, the total now being $2,375,943,337, an increase of $126,552,786. There was an increase of $72,957,780 in gold certificates and of $55,998,559 in National bank circulation.

The growth of the National bank system has been remarkable. There were 537 new banks organized, while only five National banks failed and seventy-two have gone into voluntary liquidation. The capital stock has increased $42,000,000, deposits $132,000,000 and loans $194,000,000.

The Money Market.—Early in the month rates for money were firm, being influenced by gold exports, but there was a gradual decline until near the end of the month when the rates became stiffer in anticipation of the usual large disbursements

Money Rates in New York City.

	Feb. 1.	*Mar. 1.*	*Apr. 1.*	*May 1.*	*June 1.*	*July 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances........	2½-3¾	3 —4	6 —15	2½—3	2 —2½	4½—10
Call loans, banks and trust companies..................................	4 —	3 —	6 —	3½—4	2½—	2½—
Brokers' loans on collateral, 30 to 60 days..................................	4½—	4¾—5	5½— 5¾	4 —	4 —	4 —
Brokers' loans on collateral, 90 days to 4 months..........................	4½— ¾	5 —	5¼— 5½	4½—	4 —	4¾—5
Brokers' loans on collateral, 5 to 7 months..........	4½— ¾	4¾—5	5¼— 5½	4¾—5	4½—	5 — ½
Commercial paper, endorsed bills receivable, 60 to 90 days............	4¾—5	5 —5¼	5½— 5¾	5 —	4½— ¾	5 —
Commercial paper prime single names, 4 to 6 months...............	4¾—5	5 —5¼	5½— 6	5 —5½	4¾—5¼	5 — ½
Commercial paper, good single names, 4 to 6 months...............	5 —5½	5½—	6 — 6½	5½—6	5½-6	6 —

on July 1. At the close of the month call money ruled at 4½ @ 10 per cent., the average rate being 5½ per cent. Banks and trust companies loaned at 2½ per cent. as the minimum rate. Time money on Stock Exchange collateral is quoted at 4 per cent. for 60 to 90 days, 4¾ @ 5 per cent. for 4 to 5 months, and 5 @ 5½ per cent. for 6 to 7 months on good mixed collateral. For commercial paper the rates are 5 per cent. for 60 to 90 days' endorsed bills receivable, 5 @ 5½ per cent. for first-class 4 to 6 months' single names, and 6 per cent. for good paper having the same length of time to run.

New York City Banks.—The condition of the local banks at the end of June was more favorable than a month ago or even in the middle of the month. The deposits on June 13 showed a decrease of $34,000,000 during the previous four weeks about one half of which was recovered in the following two weeks. The deposits now are about $904,000,000, or nearly $52,000,000 less than they were a year ago and $68,000,000 less than on July 1, 1901. Loans show similar changes falling off nearly $26,000,000 between May 16 and June 13 and increasing more than $10,000,000 since the latter date. Loans, however, are about $20,000,000 more than they were a year ago, and $21,000,000 more than on July 1. 1901. Loans are now larger than they ever were before at the same date although $36,000,000 less than they were last February. Loans are still in excess of deposits, at the present time about $10,000,000. The surplus reserve is nearly $13,000,000, the largest since February 14 last.

New York City Banks—Condition at Close of each Week.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
May 29...	$922,975,900	$164,005,800	$73,909,800	$913,081,800	$9,645,150	$44,173,800	$1,068,786,984
June 6...	915,138,100	156,729,800	72,702,100	898,625,000	4,775,650	44,102,200	1,516,522,685
" 13...	903,362,000	156,145,400	75,039,200	886,829,700	9,477,175	44,006,100	1,412,702,128
" 20...	904,821,100	158,459,700	74,084,700	889,779,300	10,099,575	44,008,800	1,272,385,337
" 27...	913,746,900	163,770,200	75,083,600	903,719,800	12,923,850	44,088,600	1,131,255,101

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH

Month.	*1901.*		*1902.*		*1903.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$854,189,200	$11,525,900	$910,860,800	$7,515,575	$878,115,000	$10,193,850
February......	969,917,500	24,838,825	975,997,000	26,623,850	931,778,900	27,880,775
March.........	1,012,514,000	14,801,100	1,017,488,800	9,975,925	956,206,400	5,951,900
April..........	1,004,283,200	7,870,500	965,853,300	6,965,575	894,260,000	6,280,900
May...........	970,790,500	16,759,775	968,189,600	7,484,000	905,760,200	11,181,850
June..........	952,398,200	21,253,050	948,326,400	11,929,000	913,081,800	9,645,150
July	971,382,000	8,484,200	955,839,400	12,978,350	903,719,800	12,923,850
August........	955,912,200	22,165,350	957,145,500	13,738,125	....	....
September....	968,121,900	11,919,925	935,998,500	9,742,775	....	....
October.......	936,452,300	16,293,025	876,519,100	3,236,625	....	....
November....	958,062,400	10,482,800	893,791,200	21,839,100	....	....
December.....	940,668,500	13,414,575	883,836,800	15,786,300	....	....

Deposits reached the highest amount, $1,019,474,200 on Feb. 21, 1901, loans, $950,208,700 on February 21, 1903, and the surplus reserve $111,623,000 on Feb. 8, 1894.

Non-Member Banks—New York Clearing-House.

Dates.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
May 30....	$79,064,900	$86,850,400	$3,592,300	$4,501,400	$9,437,900	$2,517,700	* $1,663,280
June 6....	79,590,600	87,288,700	3,498,000	4,448,200	9,122,100	2,759,900	* 1,998,975
" 13....	80,423,900	85,935,500	3,658,600	4,632,500	7,685,100	2,481,900	* 3,025,775
" 20....	79,752,100	85,040,100	3,607,300	4,461,200	8,051,600	2,277,700	* 2,862,225
" 27....	79,293,600	84,114,100	3,593,500	4,418,500	7,756,500	2,089,200	* 3,220,825

* Deficit.

BOSTON BANKS.

DATES.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
May 30	$189,091,000	$207,542,000	$12,261,000	$6,746,000	$6,514,000	$98,858,700
June 6	190,000,000	211,094,000	15,273,000	6,533,000	6,520,000	156,695,500
" 13	187,517,000	204,535,000	15,133,000	7,024,000	6,566,000	140,129,600
" 20	185,029,000	204,478,000	14,970,000	7,092,000	6,599,000	122,004,100
" 27	184,229,000	201,513,000	13,702,000	7,321,000	6,565,000	112,563,300

PHILADELPHIA BANKS.

DATES.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
May 30	$191,261,000	$219,674,000	$54,798,000	$10,469,000	$100,134,700
June 6	191,029,000	218,097,000	54,061,000	10,482,000	129,760,700
" 13	190,065,000	216,753,000	53,860,000	10,474,000	112,386,000
" 20	189,475,000	215,743,000	53,562,000	10,521,000	121,251,700
" 27	189,381,000	214,987,000	53,251,000	10,513,000	130,720,900

MONEY RATES ABROAD.—Rates for money in European centres are a fraction lower. The Imperial Bank of Germany on June 8, however, advanced its rate of discount from 3½ to 4 per cent., and still maintains the higher rate. The Bank of England on June 18 reduced its rate to 3 per cent. from 4 per cent., the rate made on May 21. The Bank of Bombay made three reductions during the month, lowering its rate from 8 per cent. to 5 per cent. Discounts of 60 to 90 day bills in London at the close of the month were 2⅝ per cent. against 3¼ per cent. a month ago. The open market rate at Paris was 2¾ per cent. against 2⅝ per cent. a month ago, and at Berlin and Frankfort 3¼ per cent. against 3⅜ per cent. a month ago.

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	Feb. 11, 1903.	*Apr. 2, 1903.*	*May 13, 1903.*	*June 10, 1903.*
Circulation (exc. b'k post bills)	£28,127,905	£29,357,000	£28,570,570	£28,934,660
Public deposits	11,239,705	13,000,000	7,125,650	7,325,453
Other deposits	39,677,093	44,081,000	59,096,612	40,890,446
Government securities	15,062,127	14,510,000	14,719,631	14,973,219
Other securities	28,984,448	36,047,000	44,490,255	25,422,185
Reserve of notes and coin	25,170,852	25,015,000	24,779,212	25,648,175
Coin and bullion	35,123,757	36,198,026	35,874,962	36,407,835
Reserve to liabilities	49%	43.73%	37⅝%	53 1/16%
Bank rate of discount	4%	4%	4%	3½%
Price of Consols (2¾ per cents.)	26 1-16d.	90¼	92 5-16	90¾
Price of silver per ounce	....	22¾d.	24⅞d.	24⅛d.

EUROPEAN BANKS.—The most important change last month in the gold holdings of the European banks was a gain of nearly $10,000,000. France lost about $2,000,-

GOLD AND SILVER IN THE EUROPEAN BANKS.

	May 1, 1903.		*June 1, 1903.*		*July 1, 1903.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England	£35,847,486	....	£35,849,626	....	£37,708,583	....
France	99,824,195	£44,272,209	100,050,618	£44,685,396	100,520,160	£45,060,980
Germany	33,336,000	11,718,000	35,054,000	12,816,000	36,185,000	12,714,000
Russia	76,270,000	8,291,000	77,576,000	8,883,000	77,165,000	8,936,000
Austria-Hungary	45,978,000	13,082,000	46,125,000	13,151,000	45,801,000	13,180,000
Spain	14,487,000	20,823,000	14,516,000	20,884,000	14,554,000	20,633,000
Italy	17,699,000	2,266,400	17,919,000	2,268,400	18,377,000	2,246,800
Netherlands	3,966,100	6,570,800	3,940,000	6,564,400	3,940,800	6,644,200
Nat. Belgium	3,086,000	1,543,000	3,084,667	1,542,333	3,093,333	1,546,667
Totals	£329,968,781	£108,061,409	£334,114,911	£109,789,529	£337,344,876	£110,961,647

000 and Russia the same. Germany gained $5,000,000. Compared with a year ago France has lost $11,000,000 and Germany $21,000,000, while Russia gained $16,000,000.

FOREIGN EXCHANGE.—The sterling exchange market was lower and under the influence of foreign buying of American securities tended downward late in the month. The high price of cotton has made the supply of bills for that staple short, and corn exports have also been light. About $10,000,000 of gold was exported.

RATES FOR STERLING AT CLOSE OF EACH WEEK.

WEEK ENDED.	BANKERS' STERLING. 60 days.	BANKERS' STERLING. Sight.	Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
May 29	4.8515 @ 4.8525	4.8815 @ 4.8825	4.8870 @ 4.8880	4.84¾ @ 4.85	4.84¼ @ 4.85⅝
June 6	4.8510 @ 4.8520	4.8790 @ 4.8800	4.8840 @ 4.8850	4.84½ @ 4.84¾	4.84⅛ @ 4.85¼
" 13	4.8475 @ 4.8485	4.8745 @ 4.8755	4.8790 @ 4.8800	4.84⅜ @ 4.84½	4.83¾ @ 4.84⅞
" 20	4.8530 @ 4.8540	4.8790 @ 4.8800	4.8835 @ 4.8845	4.84¾ @ 4.85⅛	4.84¼ @ 4.85⅜
" 27	4.8510 @ 4.8520	4.8745 @ 4.8755	4.8785 @ 4.8795	4.84⅝ @ 4.84¾	4.84⅛ @ 4.85¼

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	Mar. 1.	Apr. 1.	May 1.	June 1.	July 1.
Sterling Bankers—60 days	4.84¼— ⅜	4.83⅝— ⅞	4.84⅝— ¾	4.85⅛— ⅜	4.84⅞—85
" " Sight	4.87½—	4.86⅞— 7⅛	4.87¾— ⅞	4.88⅛— ¼	4.87¼— ½
" " Cables	4.87⅞—88	4.87½— ¾	4.88¼— ⅜	4.88¾— ⅞	4.87¾— ⅞
" Commercial long	4.83½— 4	4.83 — 4	4.84¼— ⅜	4.84¾— 5	4.84¼— ¾
" Docu'tary for paym't.	4.83½— 4½	4.82¾— 3¾	4.83¾— 4¾	4.84¼— 5⅝	4.84 — 5¼
Paris—Cable transfers	5.15⅝— 3/32	5.15⅝—	5.15 1/16— 1/32	5.15 —	5.15 —
" Bankers' 60 days	5.18¾— ⅛	5.18¾—	5.18⅛—	5.18⅛—17½	5.18⅛—
" Bankers' sight	5.15⅝—	5.16¼—	5.15⅝—	5.15⅝—	5.15⅝—
Swiss—Bankers' sight	5.16⅞— ¼	5.16⅞—	5.15⅝—	5.15 1/32—15	5.15⅝—
Berlin—Bankers' 60 days	94¾— 13/16	94⅝— 11/16	94¾— 13/16	94⅞— 15/16	95 — 1/16
" Bankers' sight	95 1/16— ⅛	95 — 1/16	95¼—	95½—	95½— 9/16
Belgium—Bankers' sight	5.16⅞— ¼	5.17½—16⅞	5.16¼—	5.16¼—	5.16¼—
Amsterdam—Bankers' sight	40⅛— 3/16	40 1/16— ⅛	40¼— 5/16	40¼—	40 5/16— ⅜
Kronors—Bankers' sight	26.75—78	20.74— .76	26.79—26.81	26.86—26.88	26.89 —26.91
Italian lire—sight	5.15⅝ — 1/16	5.16¼—15	5.16¼—15	5.15⅝—	5.15⅝— 1/16

SILVER.—Bar silver in London was weaker, declining to 24⅛d. on June 10th. From that point it advanced to 24½d. and closed at 24¼d., a net decline for the month of 3¼d.

MONTHLY RANGE OF SILVER IN LONDON—1901, 1902, 1903.

MONTH.	1901. High	1901. Low.	1902. High	1902. Low.	1903. High	1903. Low.	MONTH.	1901. High	1901. Low.	1902. High	1902. Low.	1903. High	1903. Low.
January..	29 3/16	27⅞	26 1/16	25⅝	22⅝	21 11/16	July......	28 3/16	27¾	24 3/16	24 3/16	....	....
February	28 1/16	27⅞	25⅝	25 5/16	22 5/16	21⅞	August ..	28 7/16	27 11/16	24 7/16	24⅛	....	....
March....	28 5/16	27 5/16	25 7/16	24 13/16	22 13/16	22⅛	Septemb'r	28 7/16	29¼	24⅛	23 9/16	....	....
April.....	27 13/16	26 13/16	24⅞	23 5/16	25 5/16	23⅝	October..	30 5/16	29⅛	23 13/16	23¼	....	....
May......	27⅝	27 5/16	24⅛	23 9/16	25¼	24 5/16	Novemb'r	29 13/16	29 1/16	23¼	21⅝	....	....
June.....	27⅝	27¼	24 7/16	23 15/16	24 3/16	24⅛	Decemb'r	29 13/16	29⅛	22⅛	21 13/16	....	....

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	Asked.		Bid.	Asked.
Sovereigns & Bk. of Eng. notes.	$4.87	$4.91	Mexican 20 pesos	$19.52	$19.60
Twenty francs	3.87	3.90	Ten guilders	3.95	4.00
Twenty marks	4.78	4.82	Mexican dollars	.41	.44
Twenty-five pesetas	4.78	4.81	Peruvian soles	.38	.42
Spanish doubloons	15.55	15.60	Chilian pesos	.38	.42
Mexican doubloons	15.55	15.65			

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 24¼d. per ounce. New York market for large commercial silver bars, 52¾ @ 53⅞c. Fine silver (Government assay), 53 @ 54⅜c. The official price was 52⅝c.

UNITED STATES FOREIGN TRADE.—The exports of merchandise in May did not go much above $100,000,000 and they make the lowest record for that month since 1897 with the single exception of 1899. The exports were $9,000,000 less than in April and $32,000,000 less than in March. Imports of merchandise continue to show gains over the records of previous years, but they were nearly $9,000,000 less than in April and $17,000,000 less than in March. Their total value was nearly $79,000,000, leaving an excess in exports of $21,000,000. The total exports for the eleven months ended May 31 are $1,324,000,000, the largest except in 1901; the total imports are nearly $943,000,000, the largest recorded, and the net exports are nearly $381,000,000, the smallest balance since 1897. We have a favorable gold balance of nearly $8,000,000 up to May 31 but June exports will probably extinguish it.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF MAY.	MERCHANDISE.			Gold Balance.	Silver Balance.
	Exports.	*Imports.*	*Balance.*		
1898	$111,283,435	$53,584,651	Exp., $57,698,784	Imp., $13,212,954	Exp., $2,609,953
1899	93,841,247	70,160,373	" 23,680,874	" 1,021,010	" 1,426,196
1900	113,427,849	71,653,525	" 41,774,324	Exp., 8,525,962	" 3,605,105
1901	124,567,911	78,642,703	" 45,925,208	" 8,328,343	" 1,640,754
1902	102,321,531	75,689,087	" 26,632,444	" 471,854	" 1,838,494
1903	100,508,051	78,935,143	" 21,572,908	" 13,025,423	" 535,229
ELEVEN MONTHS.					
1898	1,136,503,607	564,784,243	Exp., 571,719,184	Imp., 102,080,200	Exp., 22,049,611
1899	1,130,629,075	635,391,180	" 495,237,895	" 69,235,158	" 23,696,093
1900	1,285,831,125	788,939,817	" 496,891,308	" 671,117	" 21,167,628
1901	1,384,990,728	754,767,508	" 630,223,220	" 14,950,111	" 25,264,111
1902	1,292,478,918	830,205,894	" 462,278,024	Exp., 242,628	" 20,052,923
1903	1,324,493,293	943,597,194	" 380,896,099	Imp., 7,631,467	" 20,580,561

GOLD AND SILVER COINAGE.—During June the mints coined $610 of gold, $3,840,222 of silver and $111,534.89 of minor coin, beside 11,500,000 pieces for the Philippines. The coinage for the fiscal year ended June 30 aggregated $74,203,000.43, of which $45,721,773 was gold, $25,996,536.25 silver, and $2,484,691.18 minor coin. The coinage of silver dollars amounted to $17,972,785.

COINAGE OF THE UNITED STATES.

	1901.		1902.		1903.	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
January	$12,657,200	$2,713,000	$7,660,000	$2,908,637	$7,635,178	$1,707,000
February	9,230,300	2,242,166	6,643,850	2,489,000	7,488,510	1,521,000
March	6,182,152	3,120,580	1,558	2,965,577	6,879,920	1,595,987
April	18,938,000	2,683,000	3,480,315	3,388,278	187,400	1,809,000
May	9,325,000	3,266,000	426,000	1,873,000	69,000	1,584,000
June	5,948,030	2,836,185	500,345	2,464,353	610	3,840,222
July	4,225,000	1,312,000	2,120,000	2,254,000	....	....
August	6,780,000	3,141,000	8,040,000	2,236,000	....	....
September	4,100,178	3,899,524	3,560,860	2,831,165	....	....
October	5,750,000	2,791,489	1,890,000	2,287,000	....	....
November	6,270,000	917,000	2,675,000	2,399,000	....	....
December	12,309,338	1,966,514	6,277,925	1,982,216	....	....
Year	$101,735,187	$30,838,461	$47,109,852	$29,928,167	$22,210,610	$12,057,209

NATIONAL BANK CIRCULATION.—There was an increase in the amount of National bank notes outstanding last month of $7,227,445, making for the year an increase of $56,998,559. The bonds deposited to secure circulation increased in June $7,500,000, the total now being $375,347,270 of which $367,400,950 are two per cent. bonds. The National banks have on deposit with the United States Treasurer $152,852,020 bonds to secure public deposits, of which $103,838,200 are two per cent. bonds, $17,290,000 State and city bonds and $2,971,000 Philippine Island certificates.

NATIONAL BANK CIRCULATION.

	Mar. 31, 1903.	Apr. 30, 1903.	May 31, 1903.	June 30, 1903.
Total amount outstanding	$382,519,258	$391,151,728	$406,443,205	$418,670,650
Circulation based on U. S. bonds	338,349,814	347,564,355	363,586,987	372,295,408
Circulation secured by lawful money	44,169,444	43,587,373	42,856,218	41,375,242
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	8,047,850	3,994,950	3,655,500	3,375,500
Five per cents. of 1894	1,037,400	701,400	682,400	632,400
Four per cents. of 1895	2,255,100	2,010,100	1,565,100	1,570,100
Three per cents. of 1898	5,067,020	3,078,920	2,391,820	2,866,820
Two per cents. of 1900	325,753,400	342,910,750	359,583,100	367,400,950
Total	$342,160,770	$352,696,120	$367,827,920	$375,347,270

The National banks have also on deposit the following bonds to secure public deposits; 4 per cents. of 1907, $5,324,700; 5 per cents. of 1894, $4,233,450: 4 per cents. of 1895, $10,494,750; 3 per cents. of 1898, $7,015,020; 2 per cents. of 1900, $108,833,200; District of Columbia 3.65's, 1924, $1,689,000; State and city bonds, $17,290,900; Philippine Island certificates, $2,971,000, a total of $158,852,020.

UNITED STATES PUBLIC DEBT.—The public debt statement of June 30 shows that the interest-bearing debt was unchanged in amount in June, but about $5,000,000 of three and four per cent. bonds were exchanged for two per cents. About fifty-eight per cent, of the total is now carrying only two per cent. interest. The aggregate debt is about $2,000,000 less than a month ago, and the cash balance in the Treasury was increased $9,000,000. The net debt less cash in the Treasury was reduced $10,600,000 and is now $925,000,000 or only $10,500,000 more than the amount of bonds outstanding.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1903.	May 1, 1903.	June 1, 1903.	July 1, 1903.
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent	$445,940,750	$499,622,550	$515,411,050	$520,143,150
Funded loan of 1907, 4 "	233,178,650	187,690,400	176,434,800	178,885,650
Refunding certificates, 4 per cent	31,230	30,730	30,700	30,600
Loan of 1904, 5 per cent	19,385,050	19,385,050	19,385,050	19,385,050
" 1925, 4 "	118,489,900	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent	97,515,660	89,322,760	84,789,860	83,107,060
Total interest-bearing debt	$914,541,240	$914,541,390	$914,541,360	$914,541,410
Debt on which interest has ceased	1,255,710	1,230,050	1,214,900	1,205,090
Debt bearing no interest:				
Legal tender and old demand notes	346,734,863	346,734,863	346,734,863	346,734,863
National bank note redemption acct.	42,169,652	42,883,611	41,494,116	40,053,308
Fractional currency	6,872,594	6,871,690	6,871,690	6,871,241
Total non-interest bearing debt	$395,774,109	$396,490,165	$395,100,670	$393,659,412
Total interest and non-interest debt.	1,311,574,059	1,312,261,605	1,310,856,930	1,309,405,912
Certificates and notes offset by cash in the Treasury:				
Gold certificates	383,564,069	410,257,869	411,190,869	409,109,869
Silver "	468,957,000	464,373,000	462,550,000	464,706,000
Treasury notes of 1890	24,053,000	20,795,000	20,013,000	19,243,000
Total certificates and notes	$876,574,069	$895,425,869	$893,762,869	$893,058,869
Aggregate debt	2,188,148,128	2,207,687,474	2,204,619,799	2,202,464,781
Cash in the Treasury:				
Total cash assets	1,331,081,200	1,357,763,183	1,357,349,939	1,362,698,474
Demand liabilities	966,671,820	984,436,996	982,181,041	978,804,198
Balance	$364,409,380	$373,326,187	$375,168,898	$384,394,275
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	214,409,380	223,326,187	225,168,898	234,394,275
Total	$364,409,380	$373,326,187	$375,168,898	$384,394,275
Total debt, less cash in the Treasury.	947,164,679	938,935,418	935,688,032	925,011,937

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of June, and the highest and lowest during the year 1903, by dates, and also, for comparison, the range of prices in 1902:

	Year 1902.		Highest and Lowest in 1903.		June, 1903.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	95⅝	74¼	89⅞ - Jan. 10	63¾—June 10	74⅝	63¼	69⅛
" preferred	106⅛	95½	103⅛—Jan. 10	91¾—June 10	95½	91¾	93⅝
Baltimore & Ohio.............	118⅛	95⅝	104 —Jan. 9	90 —May 25	88⅞	79⅛	87
Baltimore & Ohio, pref........	99	92	96¾—Feb. 11	79⅛—June 10	94	90	93⅛
Brooklyn Rapid Transit......	72⅜	54¾	71⅛—Feb. 17	54 —June 10	60⅜	54	57⅛
Canadian Pacific..............	145¼	112¼	138¾—Feb. 10	117⅛—June 10	125⅛	117⅛	124⅛
Canada Southern..............	97	71	78½—Jan. 5	65¼—June 10	69	65¼	65½
Central of New Jersey........	198	165	190 —Jan. 19	163 —June 5	169⅛	163	169
Ches. & Ohio vtg. ctfs.........	57½	45⅝	53⅝—Feb. 10	35¼—June 10	40	35¼	39⅛
Chicago & Alton..............	45⅜	29⅛	37¼—Jan. 5	25 —June 10	28⅜	25	27
" preferred.............	79	68	73⅛ - Jan. 7	66¼—June 16	68⅛	66¼	67¾
Chicago, Great Western......	35	22	29⅝—Jan. 9	16⅞—June 10	20⅞	16⅞	19
Chic., Milwaukee & St. Paul..	198¾	160⅛	183¼—Jan. 7	147⅛—June 10	153⅞	147⅛	151⅞
" preferred	200¾	186	194¼—Jan. 9	175 —May 25	179	175	175
Chicago & Northwestern......	271	204⅛	224½—Jan. 14	166⅛—June 10	176⅛	166⅛	172
" preferred	274½	230	250 —Jan. 7	210 —May 14	....	....	....
Chic., St. Paul, Minn. & Om...	170½	140	162 —Jan. 19	140 — Apr. 9	....	....	....
" preferred	210	194⅞	194 —Jan. 5	190 —May 10	....	....	....
Chicago Terminal Transfer...	24⅞	15	19⅞—Jan. 9	12 —June 10	15¼	12	14¾
" preferred	44	29	36 —Jan. 8	20 —June 10	25⅛	20	24⅝
Clev., Cin., Chic. & St. Louis..	108⅜	93	99⅜ - Jan. 6	83 —June 10	88½	83	84½
Col. Fuel & Iron Co...........	110½	73¾	82½—Jan. 6	54 —Apr. 3	69¾	59	64¾
Colorado Southern............	35¾	14⅛	31⅝—Jan. 7	15 —June 10	19¾	15	18
" 1st preferred.........	79½	59¼	72 —Jan. 9	56 —June 10	63	56	59⅛
" 2d preferred.........	53⅞	28	48 —Jan. 8	25 —June 10	29½	25	28½
Consolidated Gas Co..........	230¾	205	222 —Jan. 7	187 —June 10	199½	187	194½
Delaware & Hud. Canal Co....	184½	153½	183½—Feb 2	161 —Apr. 14	175¾	166⅜	174
Delaware, Lack. & Western..	297	231	276½—Jan. 8	240 —Apr. 13	253	245	251¾
Denver & Rio Grande.........	51¾	35⅛	43 —Feb. 9	25½—June 10	31½	25½	29¼
" preferred............	96¾	86⅛	90½—Feb. 9	81¼—June 27	85¼	81¼	83½
Erie..............................	44⅝	28⅝	42⅝—Jan. 9	28½—June 10	35⅛	28½	34⅛
" 1st pref....................	75¾	60½	74 —Feb. 5	62⅛—Apr. 13	68⅞	62⅞	68¼
" 2d pref.....................	63¾	41½	64⅞—Feb. 5	47½—Apr. 13	58	52	57⅜
Evansville & Terre Haute....	74⅜	50	72½—Jan. 8	59 —June 10	63½	59	62½
Express Adams................	240	198	235 —Feb. 11	214 —Mar. 10	224	220	221
" American............	265	210	235 —Feb. 5	189 —June 8	195	189	195
" United States........	160	97	150¼—Feb. 4	108 —June 5	115	108	115
" Wells, Fargo.........	251	185	249½—Feb. 6	195 —June 6	196	195	195
Great Northern, preferred....	203	181½	209 —Jan. 22	189½—May 26	....	....	....
Hocking Valley................	106	66	106½—Feb. 20	91 —June 10	100½	91	93¾
" preferred	98⅜	81⅛	99¼—Mar. 2	90 —June 10	95	90	95
Illinois Central...............	173½	137	151 —Jan. 10	130½—June 10	136½	130½	134¾
Iowa Central...................	51¾	37½	48 —Jan. 12	22½—June 10	28½	22½	28¼
" preferred	90⅜	65	77⅜—Jan. 12	43 —June 11	51	43	47
Kansas City Southern.........	39	19	36¼—Jan. 12	20 —June 10	27½	20	25
" preferred...........	63¾	44	61¼—Jan. 22	39½—June 10	49	39½	45
Kans. City Ft. S. & Mem. pref..	88	75	82¾—Feb. 26	73½—June 26	76¾	73½	75½
Lake Erie & Western..........	71½	40	53 —Jan. 8	25¾—June 10	35	25¾	30
" preferred	138	120	118 —Feb. 6	103 —June 8	110	103	110
Long Island.....................	91⅞	72½	83 —Jan. 7	60 —June 10	69	60	68¼
Louisville & Nashville........	159½	102⅛	130½—Jan. 8	105½—June 10	114½	105½	112½
Manhattan consol.............	158	128	155½—Jan. 14	134⅞—June 10	138½	134⅞	137⅜
Metropolitan Street...........	174	135	142⅞ Jan. 6	121¼—June 18	129½	121¼	123½
Mexican Central..............	31⅛	20⅝	29 —Mar. 23	21 —June 10	24⅞	21	23
Minneapolis & St. Louis.......	115	105	110 —Jan. 9	70 - June 2	82½	70	82½
" preferred	127¾	118½	118 —Feb. 27	108 —Apr. 16	110	110	110
Missouri, Kan. & Tex..........	35¾	22½	30½—Jan. 5	18½—June 10	24¼	18½	22⅝
" preferred.......	69¾	51	63½—Feb. 10	47⅝—June 10	52¾	47⅝	51
Missouri Pacific...............	125½	96¾	115⅞—Feb. 10	99 —June 10	106⅛	99	105⅝
N. Y. Cent. & Hudson River..	168⅞	147	156 —Jan. 10	124½—June 10	129⅛	124½	126⅜
N. Y., Chicago & St. Louis....	57⅝	40	45 —Jan. 7	25⅛—June 10	30	25⅛	29½
" 2d preferred.........	100	80	87 —Jan. 19	73 —June 11	80	73	80
N. Y., Ontario & Western.....	37⅝	25¼	35¼—Feb. 5	21¾—June 10	26¾	21¾	26⅛

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1902.		Highest and Lowest in 1903.		June, 1903.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Norfolk & Western	78⅛	55	76¼—Feb. 10	58 —June 10	68¾	58	66¾
• preferred	98	90	93½—Feb. 2	88¼—June 11	92	88¼	92
North American Co.	134	88	124½—Jan. 7	83 —June 10	92⅛	83	85¼
Pacific Mail	49⅝	37	42¾ Jan. 7	25¼—June 6	28⅛	25¼	28⅛
Pennsylvania R. R.	170	147	157⅝—Jan. 10	123 —June 26	127¼	123	125¾
People's Gas & Coke of Chic.	109⅛	98¼	108⅝—Feb. 10	93⅝—June 10	100⅝	93⅝	99¼
Pullman Palace Car Co.	250	215	235¾—Jan. 14	206 —June 19	210	206	210
Reading	78⅛	52¼	69¼—Jan. 2	41⅜—June 10	52⅞	41⅜	52⅜
• 1st prefered	90¼	79⅞	89⅞—Feb. 5	80¼—June 10	84	80¼	83
• 2d preferred	80⅞	60	81 —Jan. 6	60 —June 10	70	60	70
Rock Island	50⅛	32½	53⅝—Jan. 9	31¼—June 10	36	31¼	34⅝
• preferred	85½	71	86 —Jan. 9	68 —May 28	73	69¼	72
St. Louis & San Francisco	85⅛	53¾	90⅛—Feb. 24	69 —June 10	73¾	69	71⅛
• 1st preferred	90	77	88 —Feb. 20	78 —Apr. 16	....	....	....
• 2d preferred	80⅝	65⅛	78 —Feb. 24	58⅞—June 10	65	58⅞	63⅛
St. Louis & Southwestern	39	24½	30 —Jan. 7	14¼—June 10	20	14¼	18
• preferred	80	55¼	66 —Jan. 7	35 —June 10	44¾	35	40
Southern Pacific Co.	81¼	56	68¼—Mar. 19	46 —June 10	51⅞	46	51
Southern Railway	41⅜	28	36⅞—Jan. 9	21 —June 10	26¾	21	25
• preferred	98⅛	89¾	96 —Feb. 9	85¾—June 10	90¼	85¾	89
Tennessee Coal & Iron Co.	74⅝	49⅛	68¾—Mar. 21	47¾—June 10	55⅝	47¾	52⅞
Texas & Pacific	54¾	37	43⅜—Feb. 10	25 —June 10	31⅝	25	30
Toledo, St. Louis & Western	33¼	18⅛	31⅞—Jan. 9	19¼—June 10	26¼	19¼	26
• preferred	49¾	35	48 —Jan. 8	38 —May 25	46	40	45
Union Pacific	113¼	93⅛	104⅝—Jan. 9	77 —June 10	84¼	77	83
• preferred	95	86⅝	95¼—Feb. 11	86½—June 10	88¾	86½	88⅛
Wabash R. R.	38¾	21¾	32¾—Feb. 27	19¾—June 10	26⅛	19¾	24⅝
• preferred	54⅛	37	55¼—Feb. 24	40¼—June 10	46¼	40¼	44¾
Western Union	97⅛	84¾	93 —Jan. 14	81¾—May 25	85¾	83	85⅛
Wheeling & Lake Erie	30¼	17	27½—Feb. 9	20⅛—June 26	23⅛	20⅛	21⅝
• second preferred	42⅜	28	38½—Feb. 10	30½—June 10	35⅛	30½	33½
Wisconsin Central	31	19⅛	29¼—Feb. 9	18½—June 10	21½	18½	21
• preferred	57⅜	39½	55½—Feb. 6	39½ June 10	43½	39½	42⅝
"Industrial"							
Amalgamated Copper	79	53	75⅝—Mar. 12	51 —June 5	58⅛	51	56
American Car & Foundry	37⅝	28¼	41¾—Jan. 19	33 —June 10	39⅛	33	38⅝
• pref.	93⅜	85¼	93 —Jan. 6	86 —June 10	89⅛	86	89⅛
American Co. Oil Co.	57¾	30½	46¼—Feb. 20	33 —June 10	37	33	35
American Ice	31⅞	9⅛	11⅞—Jan. 31	5¾—Mar. 10	9	7¼	7⅞
American Locomotive	36⅞	23½	31⅝—Feb. 17	19¾—June 10	24	19¾	24
• preferred	100¼	89	95¾—Feb. 17	88 —June 10	91¼	88	91
Am. Smelting & Refining Co.	49⅝	36⅞	52⅞—Feb. 17	42¾—Jan. 3	48	43	46⅛
• preferred	100⅛	87½	99½—Feb. 16	91 —June 29	94¼	91	93¼
American Sugar Ref. Co.	135⅛	113	134⅝—Jan. 8	115⅛—June 10	123¼	115⅛	122¾
Anaconda Copper Mining	146	80	125½—Feb. 25	83 —June 10	90⅝	83	87½
Continental Tobacco Co. pref.	126⅛	114	119 —Jan. 2	107⅜—June 23	113¼	107⅜	107⅛
Corn Products	38⅜	27	35 —Mar. 23	28⅛—June 10	30¾	28⅛	30¾
• preferred	90	79⅝	85⅛—Jan. 19	78½—June 5	80¾	78½	80¼
Distillers securities	33	27	34¾—Jan. 6	25 —June 10	27¾	25	27¾
General Electric Co.	334	170	204 —Feb. 16	172½—June 10	181½	172½	179
International Paper Co.	23⅝	16⅛	19⅞—Jan. 5	13¾—June 10	16⅛	13¾	15¾
• preferred	77⅛	70	74¼—Feb. 6	67¼—June 15	70	67¼	68⅝
International Power	199	49	73 —Jan. 19	38¾—June 5	50	38¾	50
National Biscuit	53¼	40	47⅝—Feb. 17	37¾—June 10	40½	37¾	39¼
National Lead Co.	32	15⅝	29½—Feb. 5	15⅝—June 10	17⅜	15⅝	17⅜
Pressed Steel Car Co.	63½	39	65¾—Jan. 26	51 —June 10	56½	51	58½
• preferred	96½	82¾	95 —Feb. 20	85¼—June 10	88½	85¼	88
Republic Iron & Steel Co.	24¾	15⅝	22⅝—Feb. 18	13¼—June 10	16	13¼	14⅞
• preferred	83⅜	68	80⅜—Feb. 18	73½—June 10	76¼	73½	74¾
Rubber Goods Mfg. Co.	25⅜	17¼	30 —Feb. 16	21¾—Jan. 5	25¼	22¼	23
• preferred	74	63	84½—Feb. 17	72¾—Jan. 2	78	76	77½
U. S. Leather Co.	15¼	10⅛	15¼—Feb. 11	7⅝—June 2	10¼	7⅝	9⅝
• preferred	91¼	79⅞	96¾—May 12	83⅜—June 23	93¾	83⅜	86½
U. S. Realty & Con.	32	20	28½—Jan. 2	14¾—June 16	19	14¾	16
U. S. Rubber Co.	19⅝	14	19⅛—Feb. 10	12½—June 10	14¾	12½	13
• preferred	64	49½	58 —Feb. 10	46 —June 10	51	46	50
U. S. Steel	46¾	29¾	39⅞—Feb. 5	28¾—June 19	32¾	28⅝	31⅝
• pref.	97¾	79	89¾—Jan. 7	78⅛—June 19	82⅝	78½	82⅛

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

Last Sale, Price and Date and Highest and Lowest Prices and Total Sales for the Month.

Note.—The railroads enclosed in a brace are leased to Company first named.

Name. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	June Sales. High.	June Sales. Low.	June Sales. Total.
Ann Arbor 1st g 4's...............1995	7,000,000	Q J	95⅜	June29,'03	95½	94¾	12,000
Atch., Top. & S. F.							
Atch Top & Santa Fe gen g 4's.1995	138,155,000	A & O	100	June30,'03	100⅛	99¾	986,000
" registered................	....	A & O	100	June25,'03	100	100	5,000
" adjustment, g. 4's.....1995	25,616,000	NOV	89⅛	June29,'03	90¾	88¼	118,500
" registered................	....	NOV	94⅛	Apr. 15,'02	....	....	....
" stamped...............1995	26,112,000	M & N	86½	June27,'03	89	85	255,000
" serial debenture 4's—							
" series A...............1903	2,500,000	F & A	97	Aug. 5,'02	....	....	....
" registered................	....	F & A	....	....	....	....	....
" series B...............1904	2,500,000	F & A	....	....	....	....	....
" registered................	....	F & A	....	....	....	....	....
" series C...............1905	2,500,000	F & A	....	....	....	....	....
" registered................	....	F & A	....	....	....	....	....
" series D...............1906	2,500,000	F & A	....	....	....	....	....
" registered................	....	F & A	....	....	....	....	....
" series E...............1907	2,500,000	F & A	....	....	....	....	....
" registered................	....	F & A	....	....	....	....	....
" series F...............1908	2,500,000	F & A	....	....	....	....	....
" registered................	....	F & A	....	....	....	....	....
" series G...............1909	2,500,000	F & A	....	....	....	....	....
" registered................	....	F & A	....	....	....	....	....
" series H...............1910	2,500,000	F & A	....	....	....	....	....
" registered................	....	F & A	....	....	....	....	....
" series I...............1911	2,500,000	F & A	....	....	....	....	....
" registered................	....	F & A	....	....	....	....	....
" series J...............1912	2,500,000	F & A	....	....	....	....	....
" registered................	....	F & A	....	....	....	....	....
" series K...............1913	2,500,000	F & A	....	....	....	....	....
" registered................	....	F & A	....	....	....	....	....
" series L...............1914	2,500,000	F & A	92⅞	Nov.10,'02	....	....	....
" registered................	....	F & A	....	....	....	....	....
" East.Okla.div.1stg.4's.1928	4,520,000	M & S	....	....	....	....	....
" " registered......	....	M & S	....	....	....	....	....
" Chic. & St. L. 1st 6's...1915	1,500,000	M & S	....	....	....	....	....
Atl. Knox. & Nor. Ry. 1st g. 5s..1946	1,000,000	J & D	114½	Oct. 8,'02	....	....	....
Atlan.Coast LineR.R.Co.1stg.4's.1952	30,181,000	M & S	93⅛	June29,'03	93⅝	91¾	332,000
" registered..................		M & S	....	....	....	....	....
Balt. & Ohio prior lien g. 3½s..1925	69,798,000	J & J	94⅛	June30,'03	94⅛	93¾	179,500
" registered................		J & J	94½	Jan. 12,'03	....	....	....
" g. 4s...............1948	65,963,000	A & O	101	June30,'03	102¼	101	414,000
" g. 4s. registered...........		A & O	102	May 29,'03	....	....	....
" ten year c. deb. g. 4's..1911	592,000	M & S	103	Apr. 18,'03	....	....	....
Pitt Jun. & M. div. 1st g. 3½s. 1925	11,293,000	M & N	89	June 9,'03	89	89	1,000
" registered................		QFeb	....	....	....	....	....
Pitt L. E. & West Va. System refunding g 4s........1941	20,000,000	M & N	96⅛	June29,'03	96⅛	95⅞	85,000
" Southw'n div. 1st g.3½s.1925	41,990,000	J & J	89⅛	June30,'03	89¾	88¾	224,500
" registered..................		Q J	90¼	July 16,'01	....	....	....
Monongahela River 1st g. g., 5's 1919	700,000	F & A	114¼	June27,'02	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s, 1930	1,018,000	M & S	112	Nov.14,'99	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's...1937	4,427,000	M & S	115	June24,'03	116	115	17,000
Alleghany & Wn. 1st g. gtd 4's.1998	2,000,000	A & O	....	....	....	....	....
Clearfield & Mah. 1st g. g. 5's....1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's..1921	1,300,000	F & A	124¼	June22,'03	124¼	124¼	4,000
" cons. 1st 6's............1922	3,920,000	J & D	125⅜	Jan. 24,'03	....	....	....
Buff. & Susq. 1st refundg g. 4's..1951	3,021,000	J & J	103	June16,'02	....	....	....
" registered..............		J & J	....	....	....	....	....
Burlington, Cedar R. & N. 1st 5's, 1906	6,500,000	J & D	102	June30,'03	104½	101¾	34,000
" con. 1st & col. tst 5's.1934	11,000,000	A & O	120¼	May 8,'03	....	....	....
" registered..............		A & O	120½	Mar. 16,'03	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's.1921	1,905,000	A & O	118	Jan. 27,'02	....	....	....
Minneap's & St. Louis 1st 7's, g, 1927	150,000	J & D	49	Aug.24,'95	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sale for the month.

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Name.	Principal Due	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	June Sales. High.	June Sales. Low.	June Sales. Total.
Canada Southern 1st int. gtd 5's,	1908	14,000,000	J & J	105	June26,'03	105½	104½	41,000
" 2d mortg. 5's,	1913	6,000,000	M & S	105⅝	June25,'03	106	105½	10,000
" registered			M & S	104½	Mar. 30,'03	....	....	....
Central Branch U. Pac. 1st g. 4's.	1948	2,500,000	J & D	92	June 4,'03	92	92	1,000
Cent. R. & Bkg. Co. of Ga. c. g. 5's,	1937	4,880,000	M & N	108¾	Apr. 18,'03	....	....	....
Central R'y of Georgia, 1st g. 5's.	1945	7,000,000	F & A	122½	Jan. 5,'03	....	....	....
" registered $1,000 & $5,000			F & A	....	....	....	....	....
" con. g. 5's	1945	16,700,000	M & N	104¾	June30,'03	105½	104	254,000
" con. g. 5's, reg. $1,000 & $5,000			M & N	105½	Sept. 18,'01	....	....	....
" 1st. pref. inc. g. 5's,	1945	4,000,000	OCT 1	74	June16,'03	75	72½	111,000
" 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	32½	June30,'03	34½	31½	112,000
" 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	23½	June 8,'03	24½	23½	29,000
" Chat. div. pur. my. g. 4's.	1951	1,840,000	J & D	92	Aug. 21,'02	....	....	....
" Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	108¼	Sept. 3,'02	....	....	....
" Mid. Ga. & Atl. div. g 5s.	1947	413,000	J & J	102	June29,'99	....	....	....
" Mobile div. 1st g. 5's	1946	1,000,000	J & J	112½	Apr. 30,'02	....	....	....
Central of New Jersey, gen. g. 5's	1987	45,091,000	J & J	131½	June23,'03	132	131½	21,000
" registered			Q J	130¾	June 4,'03	130¾	130¾	8,000
Am. Dock & Improvm't Co. 5's,	1921	4,987,000	J & J	113¼	Apr. 30,'03	....	....	....
Lehigh & H. R. gen. gtd g. 5's.	1920	1,062,000	J & J	....	....	....	....	....
Lehigh & W.-B. Coal con. 5's.	1912	2,691,000	Q M	100¾	May 15,'03	....	....	....
" con. extended gtd. 4½'s.	1910	12,175,000	Q M	101½	June18,'03	101½	100½	46,000
N.Y. & Long Branch gen. g. 4's.	1941	1,500,000	M & S	....	....	....	....	....
Charleston & Sav. 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
		2,000,000	A & O	111	Mar. 30,'03	....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	113	May 12,'03	....	....	....
" Mortgage gold 6's	1911	25,858,000	M & N	115	June29,'03	116	114½	77,000
" 1st con. g. 5's	1939		M & N	116	July 16,'01	....	....	....
" registered		34,834,000	M & S	103⅞	June30,'03	104⅝	103	219,000
" Gen. m. g. 4½'s	1992		M & S	103	Apr. 18,'01	....	....	....
" registered		650,000	J & J	112	May 14,'03	....	....	....
" Craig Val. 1st g. 5's	1940	6,000,000	J & J	104	June24,'03	104	104	16,000
" (R. & A. d.) 1st c. g. 4's,	1989	1,000,000	J & J	97½	June22,'03	97½	97½	1,000
" 2d con. g. 4's	1989	400,000	M & S	106½	Oct. 29,'02	....	....	....
" Warm S. Val. 1st g. 5's,	1941	2,000,000	M & N	....	....	....	....	....
Greenbrier Ry. 1st gtd. 4's	1940							
Chic. & Alton R. R. ref. g. 3's	1949	29,696,000	A & O	81⅝	June24,'03	81⅝	81	88,000
" " registered			A & O	....	....	....	....	....
Chic. & Alton Ry 1st lien g. 3½'s.	1950	22,000,000	J & J	76	June29,'03	76½	75¾	98,000
" registered			J & J	83¾	Apr. 16,'02	....	....	....
Chicago, Burl. & Quincy con. 7's.	1903	21,699,000	J & J	103⅝	June22,'03	103½	103¼	143,000
" Chic. & Iowa div. 5's	1905	2,320,000	F & A	104¾	Apr. 11,'19	....	....	....
" Denver div. 4's	1922	5,077,000	F & A	101½	June11,'03	101½	100⅝	8,000
" Illinois div. 3½s	1949	41,000,000	J & J	94	June30,'03	95½	94	16,000
" registered			J & J	....	....	....	....	....
" (Iowa div.) sink. f'd 5's,	1919	2,505,000	A & O	114⅝	Aug. 6,'03	....	....	....
" 4's	1919	8,222,000	A & O	101½	June24,'02	101⅞	101½	22,000
" Nebraska extensi'n 4's,	1927	25,627,000	M & N	104½	June19,'03	105⅛	104⅛	15,000
" registered			M & N	112¾	Apr. 17,'01	....	....	....
" Southwestern div. 4's.	1921	2,750,000	M & S	100½	June 6,'02	100½	100½	25,000
" 4's joint bonds	1921	215,780,000	J & J	94¼	June30,'03	94¾	91⅛	1,878,000
" " registered			Q JAN	94	June30,'03	94	89	47,000
" 5's, debentures	1913	9,000,000	M & N	105	June30,'03	105	105	9,000
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	114⅝	Apr. 29,'03	....	....	....
Chicago & E. Ill. 1st s. f'd c'y. 6's.	1907	2,989,000	J & D	110	May 6,'03	....	....	....
" small bonds			J & D	112	Apr. 2,'96	....	....	....
" 1st con. 6's, gold	1934	2,653,000	A & O	131	May 1,'03	....	....	....
" gen. con. 1st 5's	1937	14,020,000	M & N	114	June17,'03	115	114	50,000
" registered			M & N	119½	Apr. 13,'03	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	120⅝	Feb. 5,'03	....	....	....
Chicago, Indianapolis & Louisville.								
" refunding g. 6's	1947	4,700,000	J & J	126	June27,'03	130	126	12,000
" ref. g. 5's	1947	4,142,000	J & J	111	June29,'03	111	111	1,000
Louisv. N. Alb. & Chic. 1st 6's.	1910	3,000,000	J & J	110⅝	May 4,'03	....	....	....

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Chicago, Milwaukee & St. Paul.								
Chicago Mil. & St. Paul con. 7's	1905	1,860,000	J & J	178	May 8,'03	....	....	....
〃 terminal g. 5's	1914	4,748,000	J & J	110½	June22,'03	110½	110½	3,000
〃 gen. g. 4's, series A	1989	23,676,000	J & J	110	June24,'03	110⅝	110	11,000
〃 registered		....	Q J	111	Dec. 8,'02	....	....	....
〃 gen. g. 3½'s, series B	1989	2,500,000	J & J	104¾	Jan. 29,'02	....	....	....
〃 registered			J & J	....	....	....	....	....
〃 Chic. & Lake Sup. 5's	1921	1,360,000	J & J	116½	Apr. 29,'03	....	....	....
〃 Chic. & M. R. div. 5's	1926	3,083,000	J & J	118⅝	May 15,'03	....	....	....
〃 Chic. & Pac. div. 6's	1910	3,000,000	J & J	113¼	June18,'03	113¼	113¼	11,000
〃 1st Chic. & P. W. g. 5's	1921	25,340,000	J & J	117	June24,'03	117	116½	13,000
〃 Dakota & Gt. S. g. 5's	1916	2,856,000	J & J	111⅜	May 1,'03	....	....	....
〃 Far. & So. g. 6's assu	1924	1,250,000	J & J	137½	July 18,'98	....	....	....
〃 1st H'st & Dk. div. 7's	1910	5,680,000	J & J	119½	May 15,'03	....	....	....
〃 1st 5's	1910	990,000	J & J	107⅜	Aug.28,'02	....	....	....
〃 1st 7's, Iowa & D, ex	1908	1,059,000	J & J	183	Feb. 28,'03	....	....	....
〃 1st 5's, La. C. & Dav	1919	2,500,000	J & J	115	May 4,'03	....	....	....
〃 Mineral Point div. 5's	1910	2,840,000	J & J	109	Oct. 3,'02	....	....	....
〃 1st So. Min. div. 6's	1910	7,432,000	J & J	113⅜	June 3,'03	113⅜	113⅜	1,000
〃 1st 6's, Southw'n div.	1909	4,000,000	J & J	113½	June26,'03	113½	112½	7,000
〃 Wis. & Min. div. g. 5's	1921	4,755,000	J & J	117	June 4,'03	117	116	15,000
〃 Mil. & N. 1st M. L. 6's	1910	2,155,000	J & D	113	May 20,'02	....	....	....
〃 1st con. 6's	1913	5,092,000	J & D	116	June 2,'03	116	116	7,000
Chic. & Northwestern con. 7's	1915	12,832,000	Q F	132¼	June17,'03	132¼	132¼	1,000
〃 extension 4's	1886–1926	18,632,000	F A 15	104½	May 15,'03	....	....	....
〃 registered			F A 15	106⅜	Oct. 9,'02	....	....	....
〃 gen. g. 3½'s	1987	20,538,000	M & N	100½	June17,'03	100½	100½	4,000
〃 registered			Q F	103	Nov.19,'98	....	....	....
〃 sinking fund 6's	1879–1929	5,753,000	A & O	112	May 12,'03	....	....	....
〃 registered			A & O	110⅛	May 4,'03	....	....	....
〃 sinking fund 5s'	1879–1929	6,837,000	A & O	106	Apr. 1,'03	....	....	....
〃 registered			A & O	106¾	Mar. 30,'03	....	....	....
〃 deben. 5's	1909	5,900,000	M & N	103⅞	June30,'03	105	103⅞	4,000
〃 registered			M & N	105½	Dec. 23,'02	....	....	....
〃 deben. 5's	1921	10,000,000	A & O	108	June10,'03	108	108	1,000
〃 registered			A & O	114	Oct. 23,'01	....	....	....
〃 sinking f'd deben. 5's	1933	9,800,000	M & N	116½	June16,'03	116½	115½	2,000
〃 registered			M & N	123	May 28,'01	....	....	....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's	1905	1,600,000	M & S	106	Nov. 5,'02	....	....	....
Northern Illinois 1st 5's	1910	1,500,000	M & S	108	Oct. 9,'02	....	....	....
Ottumwa C. F. & St. P. 1st 5's	1909	1,600,000	M & S	105⅝	May 2,'03	....	....	....
Winona & St. Peters 2d 7's	1907	1,592,000	M & N	115⅜	Apr. 30,'03	....	....	....
Mil., L. Shore & We'n 1st g. 6's	1921	5,000,000	M & N	129¼	June12,'03	129¼	129¼	1,000
〃 ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	120⅛	May 28,'03	....	....	....
〃 Ashland div. 1st g. 6's	1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
〃 Michigan div. 1st g. 6's	1924	1,281,000	J & J	138⅛	May 5,'03	....	....	....
〃 con. deb. 5's	1907	436,000	F & A	107½	Feb. 21,'01	....	....	....
〃 incomes	1911	500,000	M & N	114¼	Sept.17,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup	1917	12,500,000	J & J	127⅛	June 1,'03	127⅛	127⅛	8,000
〃 registered	1917		J & J	122⅝	June15,'03	122⅝	122⅝	5,000
〃 gen. g. 4's	1988	40,581,000	J & J	105⅞	June29,'03	106	105	38,000
〃 registered			J & J	107	Jan. 16,'03	....	....	....
〃 coll. trust serial 4's								
〃 series A	1903	1,473,000	M & N	....	....	....	....	....
〃 B	1904	1,473,000	M & N	99	Dec. 6,'02	....	....	....
〃 C	1905	1,473,000	M & N	100⅜	July 2,'02	....	....	....
〃 D	1906	1,473,000	M & N	....	....	....	....	....
〃 E	1907	1,473,000	M & N	....	....	....	....	....
〃 F	1908	1,473,000	M & N	....	....	....	....	....
〃 G	1909	1,473,000	M & N	....	....	....	....	....
〃 H	1910	1,473,000	M & N	99⅝	June30,'02	....	....	....
〃 I	1911	1,473,000	M & N	....	....	....	....	....
〃 J	1912	1,473,000	M & N	....	....	....	....	....
〃 K	1913	1,473,000	M & N	....	....	....	....	....
〃 L	1914	1,473,000	M & N	....	....	....	....	....
〃 M	1915	1,473,000	M & N	99⅛	July 10,'02	....	....	....
〃 N	1916	1,473,000	M & N	99⅜	June28,'02	....	....	....
〃 O	1917	1,473,000	M & N	....	....	....	....	....
〃 P	1918	1,473,000	M & N	....	....	....	....	....
Chic. Rock Is. & Pac. R.R. 4's	2002	69,557,000	M & N	80	June30,'03	81¼	79¼	3,632,000
〃 registered			M & N	88¼	Jan. 7,'03	....	....	....
Des Moines & Ft. Dodge 1st 4's	1905	1,200,000	J & J	97	May 18,'03	....	....	....
〃 1st 2½'s	1905	1,200,000	J & J	93	Jan. 28,'03	....	....	....
〃 extension 4's		672,000	J & J	94¾	Jan. 9,'03	....	....	....
Keokuk & Des M. 1st [illegible] 5's	1923	2,750,000	A & O	108½	June 9,'03	108½	107½	15,000
〃 small bond	1923	....	A & O	107	Oct. 1,'01	....	....	....

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NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	JUNE SALES. High.	JUNE SALES. Low.	JUNE SALES. Total.
Chic., St.P., Minn.& Oma.con.6's	1930	14,611,000	J & D	130⅛	June 2,'03	130⅛	130⅛	11,000
" con.6's reduced to 3½'s	1930	2,000,000	J & D	....	....	....	....	....
Chic., St. Paul & Minn. 1st 6's	1918	1,901,000	M & N	131¼	May 28,'03	....	....	....
North Wisconsin 1st mort. 6's	1930	701,000	J & J	137½	Sept.23,'02	....	....	....
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	124	June 3,03	124	124	1,000
Chic., Term. Trans. R. R. g. 4's	1947	13,635,000	J & J	81	June25,'03	83½	81	21,000
Chic. & Wn. Ind. gen'l g. 6's	1932	9,773,000	Q M	114	June10,'03	114	114	10,000
Chic. & West Michigan R'y 5's	1921	5,753,000	J & D	109	Apr. 28,'02	....	....	....
Choc., Oklahoma & Glf.gen.g. 5s	1919	5,500,000	J & J	109	Mar. 10,'03	....	....	....
" con. g. 5's	1952	5,062,000	M & N	....	....	....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's	1905	927,000	A & O	111½	Dec. 9,'01	....	....	....
" 2d g. 4½'s	1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's	1941	3,500,000	M & N	111¼	June23,'03	111¼	111¼	5,000
Clev., Cin., Chic.& St.L. gen.g. 4's	1993	17,657,000	J & D	97¾	June30,'03	98	96¾	97,000
" do Cairo div. 1st g. 4's	1939	5,000,000	J & J	101½	Oct. 8,'02	....	....	....
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	98¼	May 5,'03	....	....	....
St. Louis div. 1st col. trust g.4's	1990	9,750,000	M & N	101	June29,'03	101	101	12,000
" registered				103	Oct. 10,'02	....	....	....
Sp'gfield & Col. div. 1st g. 4's	1940	1,035,000	M & S	102	Dec. 9,'02	....	....	....
White W. Val. div. 1st g. 4's	1940	650,000	J & J	95	May 12,'03	....	....	....
Cin., Ind., St. L. & Chic. 1st g.4's	1936	7,685,000	Q F	104	June26,'03	104	104	1,000
" registered				95	Nov. 15,'94	....	....	....
" con. 6's	1920	668,000	M & N	107½	June30,'93	....	....	....
Cin., S'dusky & Clev. con. 1st g.5's	1928	2,571,000	J & J	114¼	June17,'03	114¼	114¼	1,000
Clev., C., C. & Ind. con. 7's	1914	3,991,000	J & D	134⅛	Jan. 7,'02	....	....	....
" sink. fund 7's	1914		J & D	119⅝	Nov. 19,'89	....	....	....
" gen. consol 6's	1934	3,205,000	J & J	131	June11,'03	131	131	1,000
" registered			J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's	1940	981,500	A & O	104½	Nov. 19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	94½	June23,'03	96¼	93	72,000
" income 4's	1990	4,000,000	A	68	June16,'03	71	67	47,000
Clev., Lorain & Wheel'g con. 1st 5's	1933	5,000,000	A & O	114	Dec. 19,'02	....	....	....
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	127½	Jan. 25,'02	....	....	....
" registered			Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's	1947	8,946,000	J & J	73½	June26,'03	73½	73	33,000
Colorado & Southern 1st g. 4's	1929	18,650,000	F & A	88	June30,'03	89½	86½	126,000
Conn., Passumpsic Riv's 1st g. 4's	1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's	1907	3,067,000	M & S	113¼	June 1,'03	113¼	113¼	1,000
Morris & Essex 1st m 7's	1914	5,000,000	M & N	129¼	June 9,'03	129⅝	129¼	5,000
" 1st c. gtd 7's	1915	12,151,000	J & D	134⅛	May 14,'03	....	....	....
" registered			J & D	140	Oct. 26,'98	....	....	....
" 1st refund.gtd.g.3½'s	2000	7,030,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	131⅛	Apr. 23,'03	....	....	....
" const. 5's	1923	5,000,000	F & A	115	June 2,'03	115	115	2,000
" terml. imp. 4's	1923	5,000,000	M & N	102¼	May 27,'03	....	....	....
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	109¾	June30,'03	110	109¾	2,000
Warren Rd. 1st rfdg.gtd g.3½'s	2000	905,000	F & A	102	Feb. 2,'03	....	....	....
Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's	1917	5,000,000	M & S	137⅛	June 8,'03	137⅛	137⅛	1,000
" reg	1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	108½	June19,'03	108½	108½	1,000
" registered			A & O	122	June 6,'99	....	....	....
" 6's	1906	7,000,000	A & O	105¼	June10,'03	105¼	105¼	5,000
" registered			A & O	109½	Nov. 16,'01	....	....	....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	143¾	Nov. 10,'02	....	....	....
" 1st r 7's	1921		M & N	147¾	June18,'03	....	....	....
Denver & Rio G. 1st con. g. 4's	1936	33,450,000	J & J	98¾	June24,'03	99¾	98¾	104,000
" con. g. 4½'s	1936	6,382,000	J & J	106⅝	May 22,'03	....	....	....
" impt. m. g. 5's	1928	8,103,500	J & D	108	May 27,'03	....	....	....
Denv. & Southern Ry g. s. fg. 5's	1929	4,923,000	J & D	62	June 9,'03	63	62	3,000
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	111	Feb. 28,'01	....	....	....
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	102½	Oct. 16,'01	....	....	....
" g. 4s	1995	1,250,000	J & D	91	June 1,'03	91	91	26,000
Detroit Southern 1st g. 4's	1951	2,866,000	J & D	84	Jan. 8,'03	....	....	....
" Ohio South. div. 1st g. 4's	1941	4,281,000	M & S	89¾	May 14,'03	....	....	....
Duluth & Iron Range 1st 5's	1937	6,734,000	A & O	110	June16,'03	110	110	2,000
" registered			A & O	101½	July 23,'89	....	....	....
" 2d l m 6s	1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's	1937	4,000,000	J & J	115	June16,'03	115	115	1,000
Elgin Joliet & Eastern 1st g 5's	1941	8,500,000	M & N	113	June 6,'03	113	113	1,000

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE *Price.*	LAST SALE *Date.*	JUNE SALES. *High.*	JUNE SALES. *Low.*	JUNE SALES. *Total.*
Erie 1st ext. g. 4's	1947	2,482,000	M & N	114	May 25,'03	....	....	....
• 2d extended g. 5's	1919	2,149,000	M & S	113¼	May 2,'03	....	....	....
• 3d extended g. 4½'s	1923	4,618,000	M & S	112	May 1,'02	....	....	....
• 4th extended g. 5's	1920	2,926,000	A & O	117	Dec. 19,'02	....	....	....
• 5th extended g. 4's	1928	709,500	J & D	101⅞	June26,'03	101⅞	101⅞	1,000
• 1st cons gold 7's	1920	16,890,000	M & S	134¾	June18,'03	134¾	132½	8,500
• 1st cons. fund g. 7's	1920	3,699,500	M & S	132¼	Apr. 1,'03	....	....	....
Erie R.R. 1st con.g. 4s prior bds.	1996	34,000,000	J&J	99⅝	June30,'03	99¾	98¼	211,000
• registered			J&J	97	May 15,'03	....	....	....
• 1st con. gen. lien g. 4s.	1996	34,885,000	J&J	86½	June30,'03	86½	83¾	596,000
• registered			J&J	....	....	....	....	....
• Penn. col. trust g. 4's.	1951	32,000,000	F & A	91½	June29,'03	92¼	90⅝	26,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	125½	June17,'03	125½	125½	1,000
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	....	....	....	....	....
• small			J&J	....	....	....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	119	June15,'03	119	119	16,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	106	Aug. 5,'02	....	....	....
Long Dock consol. g. 6's	1935	7,500,000	A & O	134½	June30,'03	134½	134½	2,000
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	113¾	Dec. 17,'02	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	118½	Apr. 23,'02	....	....	....
N. Y. & Greenw'd Lake gt g 5's	1946	1,453,000	M&N	109	Oct. 27,'98	....	....	....
• small								
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	110½	June 9,'03	110½	110½	45,000
N.Y., Sus.&W. 1st refdg. g. 5's	1937	3,750,000	J & J	113	June26,'03	113	113	2,000
• 2d g. 4½'s	1937	453,000	F & A	101⅝	May 19,'03	....	....	....
• gen. g. 5's	1940	2,546,000	F & A	106½	May 26,'03	....	....	....
• term. 1st g. 5's	1943	2,900,000	M & N	108	May 1,'03	....	....	....
• registered......$5,000 each			M & N	....	....	....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	112	May 9,'03	....	....	....
Evans. & Terre Haute 1st con. 6's.	1921	3,000,000	J & J	121	June23,'03	121	121	1,000
• 1st General g 5's	1942	2,223,000	A & O	104	June22,'03	104¼	103	10,000
• Mount Vernon 1st 6's	1923	375,000	A & O	112	June 2,'02	....	....	....
• Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sept.15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	115	May 28,'02	....	....	....
Florida Cen. & Penins. 1st g 5's	1918	3,000,000	J & J	100	Sept. 6,'99	....	....	....
• 1st land grant ex. g 5's	1930	423,000	J & J	....	....	....	....	....
• 1st con. g 5's	1943	4,370,000	J & J	106½	Feb. 26,'02	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s.	1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	8,176,000	......	105½	June29,'03	106½	104	79,000
Ft. Worth & Rio Grande 1st g 5's.	1928	2,863,000	J & J	81½	June25,'03	82½	81½	4,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	103	Apr. 20,'03	....	....	....
Geo. & Ala. 1st con. g 5s	1945	2,922,000	J & J	109¾	May 11,'03	....	....	....
Ga. Car. & N. Ry. 1st gtd. g. 5's	1927	5,360,000	J & J	109½	May 19,'03	....	....	....
Gulf & Ship Isl. 1st refg. & ter. 5's	1952	2,931,000	J & J	106¼	Mar. 9,'03	....	....	....
• registered			J & J	....	....	....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	12,157,000	J & J	107¼	June29,'03	108	107	71,000
• registered			J & J	....	....	....	....	....
Col. Hock's Val. 1st ext. g. 4's.	1948	1,401,000	A & O	100	June20,'03	100	100	23,000
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	112¼	May 28,'03	....	....	....
• registered			J&J	113½	Mar. 12,19'	....	....	....
• 1st gold 3½'s	1951	2,499,000	J&J	102	May 21,'03	....	....	....
• registered			J&J	94	Mar. 28,'03	....	....	....
• 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92½	July 13,'96	....	....	....
• registered			M & S	....	....	....	....	....
• total outstg....$13,950,000								
• collat. trust gold 4's	1952	15,000,000	A & O	104	May 12,'03	....	....	....
• regist'd			A & O	102	Oct. 4,'01	....	....	....
• col.t.g.4s L.N.O.&Tex.	1953	24,679,000	M & N	101½	June17,'03	101½	101½	27,000
• registered			M & N	104⅝	May 20,'02	....	....	....
• Cairo Bridge g 4's	1950	3,000,000	J & D	106½	Mar. 7,'03	....	....	....
• registered			J & D	123	May 24,'99	....	....	....
• Louisville div.g. 3½'s.	1953	14,320,000	J & J	95	May 14,'03	....	....	....
• registered			J & J	88½	Dec. 8,'99	....	....	....
• Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
• St. Louis div. g. 3's	1951	4,939,000	J & J	87½	May 24,'02	....	....	....
• registered			J & J	101¼	Jan. 31,19'	....	....	....
• g. 3½'s	1951	6,321,000	J & J	97	June10,'03	97	97	5,000
• registered			J & J	101½	Sept. 10,'95	....	....	....
• Sp'gfield div 1st g 3½'s	1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
• registered			J & J	124	Dec. 11,'99	....	....	....
• West'n Line 1st g. 4's	1951	5,425,000	F & A	107⅝	May 27,'03	....	....	....
• registered			F & A	101½	Jan. 31,'91	....	....	....
Belleville & Carodt 1st 6's	1923	470,000	J & D	124	May 16,'03	....	....	....

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Carbond'e & Shawt'n 1st g. 4's	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,555,000	J D 15	125⅛	Jan. 12,'03	....	....	....
" gold 5's, registered			J D 15	126¼	Nov.18,'01	....	....	....
" g. 3½'s	1951	1,352,000	J D 15	104⅝	Apr. 11,'02	....	....	....
" registered			J D 15	106¼	Aug.17,'99	....	....	....
" Memph. div. 1st g. 4's	1951	3,500,000	J & D	106⅛	Jan. 28,'03	....	....	....
" registered			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's	1931	538,000	M & S	101	Mar. 3,'02	....	....	....
Ind., Dec. & West. 1st g. 5's	1935	1,824,000	J & J	107½	Mar. 28,'03	....	....	....
" 1st gtd. g. 5's	1935	933,000	J & J	107½	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's	1950	4,850,000	J & J	102	May 12,'03	....	....	....
Internat. & Gt. N'n 1st. 6's, gold	1919	10,742,000	M & N	122½	May 12,'03	....	....	....
" 2d g. 5's	1909	9,842,000	M & S	96	June24,'03	96	96	6,000
" 3d g. 4's	1921	2,730,000	M & S	74¼	Feb. 20,'03	....	....	....
Iowa Central 1st gold 5's	1938	7,650,000	J & D	111	June18,'03	111	111	6,000
" refunding g. 4's	1951	2,000,000	M & S	92	June11,'03	92	92	19,000
Kansas C. & M. R. & B. Co. 1st gtd g. 5's	1929	3,000,000	A & O	....	....	....	....	....
Kansas City Southern 1st g. 3's	1950	30,000,000	A & O	68½	June26,'03	69¾	67½	274,000
" registered			A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	117½	June 4,'03	117½	117½	2,000
" 2d mtge. g. 5's	1941	3,625,000	J & J	111½	June17,'03	111½	111½	1,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	111	June29,'03	111	111	20,000
Lehigh Val. (Pa.) coll. g. 5's	1997	8,000,000	M & N	110	Feb. 3,'02	....	....	....
" registered			M & N	....	....	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s	1940	15,000,000	J&J	108½	June17,'03	108½	108½	3,000
" registered		....	J&J	109½	June18,'02	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's	1941	10,000,000	A & O	113⅝	June 1,'03	113⅝	113⅝	1,000
" registered			A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's	1933	10,280,000	J & J	108½	Sept. 8,'01	....	....	....
" registered	1933		J & J	....	....	....	....	....
Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	95	June17,'03	95	95	3,000
" registered			M&S	....	....	....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....	....	....	....	....
" " g. gtd 5's	1914	1,250,000	A & O	100	Mar. 25,'99	....	....	....
Long Island 1st cons. 5's	1931	3,610,000	Q J	118	Jan. 22,'03	....	....	....
" 1st con. g. 4's	1931	1,121,000	Q J	101	Nov. 22,'99	....	....	....
Long Island gen. m. 4's	1938	3,000,000	J & D	100½	June23,'03	100½	100½	7,000
" Ferry 1st g. 4½'s	1922	1,500,000	M & S	100½	June12,'03	100½	100½	1,000
" g. 4's	1932	325,000	J & D	102½	May 5,'97	....	....	....
" unified g. 4's	1949	6,860,000	M & S	99½	June 6,'03	99½	99½	2,000
" deb. g. 5's	1934	1,135,000	J & D	111	Jan. 22,'02	....	....	....
Brooklyn & Montauk 1st 6's	1911	250,000	M & S	....	....	....	....	....
" 1st 5's	1911	750,000	M & S	105¼	Mar. 3,'03	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's	1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's	1927	883,000	M & S	112½	Jan. 10,'02	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's	1932	1,425,000	Q JAN	112½	Apr. 9,'02	....	....	....
Louis. & Nash. gen. g. 6's	1930	8,911,000	J & D	115	June27,'03	115	114½	30,000
" gold 5's	1937	1,764,000	M & N	112	June15,'03	112	111½	18,000
" Unified gold 4's	1940	29,677,000	J & J	101⅜	June30,'03	101½	100¾	187,000
" registered	1940		J & J	83	Feb. 27,'98	....	....	....
" collateral trust g. 5's	1931	5,129,000	M & N	111	May 18,'03	....	....	....
" E., Hend. & N. 1st 6's	1919	1,785,000	J & D	114½	May 19,'03	....	....	....
" L. Cin. & Lex. g. 4½'s	1931	3,258,000	M & N	108¼	Jan. 30,'03	....	....	....
" N. O. & Mobile 1st g. 6's	1930	5,000,000	J & J	126	May 18,'03	....	....	....
" 2d g. 6's	1930	1,000,000	J & J	124⅝	Apr. 16,'02	....	....	....
" Pensacola div. g. 6's	1920	580,000	M & S	116⅝	Mar. 22,'02	....	....	....
" St. Louis div. 1st g. 6's	1921	3,500,000	M & S	125½	Aug. 12,'02	....	....	....
" 2d g. 3's	1980	3,000,000	M & S	75	June20,'02	....	....	....
" H. B'ge 1st sk'fd. g 6's	1931	1,621,000	M & S	....	....	....	....	....
" Ken. Cent. g. 4's	1987	6,742,000	J & J	97½	June23,'03	97½	97½	4,000
" L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	107½	June 2,'02	107½	107½	1,000
" South. Mon. joint 4's	1952	11,788,000	J & J	91¼	June30,'03	91½	91	89,000
" registered			Q Jan	....	....	....	....	....
" N. Fla. & S. 1st g. g. 5's	1937	2,096,000	F & A	118	Mar. 30,'03	....	....	....
" Pen. & At. 1st g. g. 6's	1921	2,550,000	F & A	112½	June15,'03	112½	111½	2,000
" S. & N. A. con. gtd. g. 5's	1936	3,673,000	F & A	115	Dec. 5,'01	....	....	....
" So. & N. Ala. si'fd. g. 6s	1910	1,942,000	A & O	110	Mar. 23,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's	1945	3,000,000	M & S	100	Mar. 19,'01	....	....	....
Manhattan Railway Con. 4's	1990	28,065,000	A & O	101½	June30,'03	101¾	101⅝	79,000
" registered			A & O	103⅞	Dec. 17,'02	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JUNE SALES. *High.*	JUNE SALES. *Low.*	*Total.*
Metropolitan Elevated 1st 6's....1908	10,818,000	J & J	111¼	June15,'03	111¼	111	4,000
Manitoba Swn. Coloniza'n g. 5's, 1934	2,544,000	J & D	....		....	....	....
Mexican Central.							
" con. mtge. 4's..........1911	65,643,000	J & J	77⅛	June30,'03	77⅝	75	115,000
" 1st con. inc. 3's..........1939	20,511,000	JULY	23⅝	June30,'03	25⅛	21¾	986,000
" 2d 3's....................1939	11,724,000	JULY	15⅛	June30,'03	17	14¾	233,000
" equip. & collat. g. 5's....1917	650,000	A & O	....		....	....	....
" 2d series g. 5's...........1919	765,000	A & O	....		....	....	....
" col.trust g.4½'s1st se of1907	10,000,000	F & A	96¾	June27,'03	97¼	95¼	80,000
Mexican Internat'l 1st con g. 4's.1977	3,362,000	M & S	90⅝	July 29,'01	....	....	....
" stamped gtd................	3,621,000	......	....		....	....	....
Mexican Northern 1st g. 6's.....1910	1,061,000	J & D	....		....	....	....
" registered..................		J & D	105	May 2,19'	....	....	....
Minneapolis & St. Louis 1st g. 7's.1927	950,000	J & D	144½	Apr. 7,'03	....	....	....
" Iowa ext. 1st g. 7's......1909	1,015,000	J & D	116¾	Feb. 24,'03	....	....	....
" Pacific ext. 1st g. 6's....1921	1,382,000	J & A	123½	Apr. 29,'03	....	....	....
" Southw. ext. 1st g. 7's...1910	636,000	J & D	121	Jan. 21,'02	....	....	....
" 1st con. g. 5's............1934	5,000,000	M & N	114½	June22,'03	114½	114½	1,000
" 1st & refunding g. 4's...1949	7,600,000	M & S	99½	June23,'03	100⅛	99½	21,000
Minneapolis & Pacific 1st m. 5's..1936	3,208,000	J & J	102	Mar. 26,'87	....	....	....
" stamped 4's pay. of int. gtd.			....		....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's.1926	8,280,000	J & J	103	Nov. 11,'01	....	....	....
" stamped pay. of int. gtd.			89¾	June 18,'91	....	....	....
Minn., S. P. & S. S. M., 1st c. g. 4's.1938	21,949,000	J & J	98	Apr. 3,'01	....	....	....
" stamped pay. of int. gtd.			....		....	....	....
Missouri, K. & T. 1st mtge g. 4's.1990	40,000,000	J & D	97	June29,'03	98¼	97	278,000
" 2d mtge. g. 4's.........1990	20,000,000	F & A	81	June30,'03	81½	79	159,500
" 1st ext gold 5's.. 1944	2,548,000	M & N	100⅞	June30,'03	101	100⅞	9,000
St. Louis div. 1st refundg 4s...2001	1,852,000	A & O	86	Oct. 16,'02	....	....	....
Dallas & Waco 1st gtd. g. 5's....1940	1,340,000	M & N	106¼	Sept. 20,'02	....	....	....
Mo. K.&T. of Tex 1st gtd. g. 5's.1942	8,907,000	M & S	101¼	June26,'03	101½	101	21,000
Sher. Shrevept & So 1st gtd. g. 5's1943	1,689,000	J & D	105½	July 28,'02	....	....	....
Kan. City & Pacific 1st g. 4's...1990	2,500,000	F & A	90	May 14,'03	....	....	....
Mo. Kan. & East'n 1st gtd. g. 5's.1942	4,000,000	A & O	109	June25,'03	109	108½	19,000
Missouri, Pacific 1st con. g. 6's...1920	14,904,000	M & N	119	June26,'03	119	118½	26,000
" 3d mortgage 7's......1906	3,828,000	M & N	108	June19,'03	108	108	11,000
" trusts gold 5's stamp'd 1917	14,376,000	M & S	104¾	June29,'03	105	103½	144,000
" registered.................		M & S	....		....	....	....
" 1st collateral gold 5's.1920	9,636,000	F & A	104½	June27,'03	104½	103½	112,000
" registered.................		F & A	....		....	....	....
Cent. Branch Ry. 1st gtg. g. 4's.1919	3,459,000	F & A	91½	May 26,'03	....	....	....
Leroy & Caney Val. A. L. 1st 5's.1926	520,000	J & J	100	May 1,'01	....	....	....
Pacific R. of Mo. 1st m. ex. 4's.1938	7,000,000	M & S	103⅝	May 4,'03	....	....	....
" 2d extended g. 5's.....1938	2,573,000	F & A	112	Apr. 13,'03	....	....	....
St. L. & I. g. con. R.R.&l.gr. 5's1931	36,258,000	A & O	112	June30,'03	112¼	111	167,000
" stamped gtd gold 5's..1931	6,945,000	A & O	112½	Dec. 18,'02	....	....	....
" unify'g & rfd'g g. 4's.1929	25,726,000	J & J	88	June30,'03	88	87	102,000
" registered.................		J & J	....		....	....	....
Verdigris V'y Ind. & W. 1st 5's.1926	750,000	M & S	....		....	....	....
Mob. & Birm., prior lien, g. 5's...1945	374,000	J & J	109	Aug. 31,19'	....	....	....
" small.........................	226,000	J & J	90	Feb. 4,'03	....	....	....
" mtg. g. 4's..............1945	700,000	J & J	93	Apr. 25,'02	....	....	....
" small.........................	500,000	......	....		....	....	....
Mob. Jackson & Kan. City 1st g. 5's.1946	1,000,000	J & D	102	July 25,'02	....	....	....
Mobile & Ohio new mort. g. 6's..1927	7,000,000	J & J	129½	June12,'03	129½	129½	3,000
" 1st extension 6's......1927	974,000	J & D	124⅝	Apr. 28,'03	....	....	....
" gen. g. 4's.............1938	9,472,000	Q J	94	May 20,'03	....	....	....
" Montg'ry div. 1st g. 5's.1947	4,000,000	F & A	114	Mar. 30,'03	....	....	....
St. Louis & Cairo gtd g. 4's.....1931	4,000,000	M & S	93	Feb. 3,'03	....	....	....
" collateral g. 4's........1930	2,494,000	Q F	96½	Nov. 30,'01	....	....	....
Nashville, Chat. & St. L. 1st 7's...1913	6,300,000	J & J	124	June24,'03	124	124	2,000
" 1st cons. g. 5's..........1928	7,412,000	A & O	112½	May 28,'03	....	....	....
" 1st g. 6's Jasper Branch.1923	371,000	J & J	123	Mar. 28,'01	....	....	....
" 1st 6's McM. M.W. & Al.1917	750,000	J & J	116	July 31,'02	....	...	....
" 1st 6's T. & Pb..........1917	300,000	J & J	110	Dec. 20,'99	....	...	....
Nat. R.R. of Mex. prior lien g. 4½'s.1926	20,000,000	J & J	102	June30,'03	102⅞	102	130,000
" 1st con. g. 4's...........1951	22,000,000	A & O	78	June30,'03	78½	76	297,000
N. O. & N. East. prior lien g. 6's..1915	1,320,000	A & O	108½	Aug. 13,'94	....	....	....

BOND QUOTATIONS.—Last sale, price and date highest and lowest prices and total sales for the month.

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	June Sales. High.	June Sales. Low.	June Sales. Total.
N.Y. Cent. & Hud. R. g. mtg. 3½s	1997	65,261,000	J & J	103½	June 30, '03	103½	103	4,000
" " registered			J & J	100	June 29, '03	100⅛	100	10,000
" debenture 5's	1884-1904	4,480,000	M & S	101¾	June 24, '03	101¾	101½	3,000
debenture 5's reg			M & S	100½	June 26, '03	101⅞	101½	9,000
" reg. deben. 5's	1889-1904	639,000	M & S	103⅛	Apr. 30, '01	....	....	....
" debenture g. 4's	1890-1905	5,094,000	J & D	99¾	June 1, '03	99⅞	99¾	5,000
" registered			J & D	99	Dec. 12, '02	....	....	....
" deb. cert. ext. g. 4's	1905	3,581,000	M & N	100⅝	Apr. 28, '03	....	....	....
" registered			M & N	99½	Nov. 8, '02	....	....	....
Lake Shore col. g. 3½s	1998	90,578,000	F & A	89¾	June 30, '03	90	88	164,000
" registered			F & A	87½	June 30, '03	89	86¼	235,000
Michigan Central col. g. 3½s	1998	19,336,000	F & A	87	June 30, '03	87	87	1,000
" registered			F & A	91	Jan. 17, '03	....	....	....
Beech Creek 1st. gtd. 4's	1936	5,000,000	J & J	108½	June 9, '03	108½	108½	4,000
" registered			J & J	106	June 17, '98	....	....	....
" 2d gtd. g. 5's	1936	500,000	J & J			....	....	....
" registered		....	J & J			....	....	....
" ext. 1st. gtd. g. 3½'s	1951	4,500,000	A & O			....	....	....
" registered			A & O			....	....	....
Carthage & Adiron. 1st gtd g. 4's	1981	1,100,000	J & D			....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A.	1940	770,000	J & J	95	Apr. 3, '02	...	....	....
" small bonds series B		33,100	J & J			....	....	....
Gouv. & Oswega. 1st gtd g. 5's	1942	300,000	J & D			....	....	....
Mohawk & Malone 1st gtd g. 4's	1991	2,500,000	M & S	107½	July 6, 19'	....	....	....
" inc. 5's	1992	3,900,000	Sept.	110¼	Dec. 6, '01	....	....	....
N. Jersey Junc. R. R. g. 1st 4's	1986	1,650,000	F & A	105	Oct. 10, '02	....	....	....
" reg. certificates			F & A			....	....	....
N.Y. & Putnam 1st con. gtd g. 4's	1993	4,000,000	A & O	105½	Nov. 15, '96	....	....	....
Nor. & Montreal 1st g. gtd 5's	1916	130,000	A & O			....	....	....
West Shore 1st guaranteed 4's	2361	50,000,000	J & J	109⅞	June 26, '03	110½	109⅞	24,000
" registered			J & J	106½	June 16, '03	109½	106½	23,000
Lake Shore con. 2d 7's	1903	6,312,000	J&D	101	June 27, '03	101	100¾	6,000
" con. 2d registered	1903		J&D	101	June 18, '03	101	101	15,000
" g 3½s	1997	43,820,000	J & D	101	June 24, '03	101½	101	17,000
" registered			J & D	105	Jan. 6, '03	....	....	....
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	114	Feb. 6, '02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's	1938	840,000	J & J			....	....	....
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	124	Jan. 5, '03	....	....	....
Pitt McK'port & Y. 1st gtd 6's	1932	2,250,000	J & J	139	Jan. 21, '03	....	....	....
" 2d gtd 6's	1934	900,000	J & J			....	....	....
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J			....	....	....
Michigan Cent. 6's	1909	1,500,000	M & S	112	May 13, '03	....	....	....
" 5's	1931	3,576,000	M & S	123½	Mar. 13, '03	....	....	....
" 5's reg	1931		Q M	127	June 19, '02	....	....	....
" 4's	1940	2,600,000	J & J	110	Dec. 7, '01	....	....	....
" 4's reg.			J & J	106½	Nov. 26, 19'	....	....	....
" g. 3½'s sec. by 1st mge. on J. L. & S		2,000,000	M & S			....	....	....
" 1st g. 3½'s	1952	10,000,000	M & N			....	....	....
Battle C. Sturgis 1st g. g. 3's	1989	476,000	J & D			....	....	....
N. Y. & Harlem 1st mort. 7's c.	1900	12,000,000	M & N	102¾	Mar. 13, 19'	....	....	....
" 7's registered	1900		M & N	102¾	Apr. 6, 19'	....	....	....
N. Y. & Northern 1st g. 5's	1927	1,200,000	A & O	119½	Dec. 3, '02	....	....	....
R. W. & Og. con. 1st ext. 5's	1922	2,081,000	A & O	117⅛	June 10, '03	117⅛	117⅛	8,000
coup. g. bond currency			A & O			....	....	....
Oswego & Rome 2d gtd gold 5's	1915	400,000	F & A	113¾	Jan. 25, '02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's	1918	375,000	M & N			....	....	....
Utica & Black River gtd g. 4's	1922	1,800,000	J & J	107⅜	Feb. 2, '03	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	102	June 27, '03	103	102	45,000
" registered			A & O	103	May 14, '03	....	....	....
N. Y., N. Haven & Hartford.								
Housatonic R. con. g. 5's	1937	2,838,000	M & N	131¾	Apr. 29, '03	....	....	....
New Haven and Derby con. 5's	1918	575,000	M & N	115½	Oct. 15, '94	....	....	....
N. Y. & New England 1st 7's	1905	6,000,000	J & J	106¼	May 14, '03	....	....	....
" 1st 6's	1905	4,000,000	J & J	105	May 12, '03	....	....	....
N.Y., Ont. & W'n. ref'ding 1st g. 4's	1992	16,937,000	M & S	100⅛	June 26, '03	101	100⅛	38,000
" registered .... $5,000 only.		....	M & S	101	May 15, '03	....	....	....
Norfolk & Southern 1st g. 5's	1941	1,380,000	M & N	114	Feb. 4, '03	....	....	....
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	133½	Apr. 25, '03	....	....	....
" imp'ment and ext. 6's	1934	5,000,000	F & A	128	Apr. 1, '03	....	....	....
" New River 1st 6's	1932	2,000,000	A & O	132¼	Jan. 16, '03	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JUNE SALES. *High*	JUNE SALES. *Low.*	JUNE SALES. *Total.*
Norfolk & West. Ry 1st con. g. 4s.	1996	36,210,500	A & O	98⅛	June30,'03	98⅞	98	234,500
" registered			A & O	100½	Jan. 13,'02	....	....	....
" small bonds			A & O	....	....	....	....	....
" Pocahon C.&C.Co.jt.4's.	1941	20,000,000	J & D	89	June29,'03	90½	89	124,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	107½	July 1,'10	....	....	....
" Sci'o Val & N.E.1st g.4's,	1989	5,000,000	J & N	97	June30,'03	99	97	11,000
N. P. Ry prior in ry.&ld.gt.g.4's.	1997	100,209,500	Q J	102½	June30,'03	102½	101¾	373,500
" registered			Q J	101⅞	June 9,'03	101⅞	101⅞	10,000
" gen. lien g. 3's	2047	56,000,000	Q F	71⅞	June30,'03	72⅜	70⅞	456,500
" registered			Q F	70½	Mar. 9,'03	....	....	....
St. Paul & Duluth div. g. 4's	1996	9,215,000	J & D	101	June16,'02	101	101	1,000
" registered			J & D	....	....	....	....	....
St. Paul & N. Pacific gen g. 6's.	1923	7,985,000	F & A	125	Apr. 21,'03	....	....	....
" registered certificates			Q F	132	July 28,'98	....	....	....
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	118	Nov. 6, 02	....	....	....
" 2d 5's	1917	2,000,000	A & O	110	Oct. 6,'02	....	....	....
" 1st con. g. 4's	1968	1,000,000	J & D	96½	Mar. 3,'03	....	....	....
Washington Cen. Ry 1st g. 4's.	1948	1,538,000	QMCH	94½	Feb. 19,'01	....	....	....
Nor. Pacific Term. Co. 1st g. 6's.	1933	3,692,000	J & J	116½	May 8,'03	....	....	....
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	114½	May 4,'02	....	....	....
" gen. mortg. g 6's	1937	2,428,000	A & O	108½	July 9,02'	....	....	....
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	103½	June23,'03	105¼	102	5,000
Panama 1st sink fund g. 4½'s	1917	2,386,000	A & O	102	Apr. 21,'03	....	....	....
" s. f. subsidy g 6's	1910	1,049,000	M & N	102	Apr. 14,'02	....	....	....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	110	June29,'03	110	110	13,000
" reg	1921		J & J	106	Mar. 26,'03	....	....	....
" gtd.3½ col.tr.reg. cts.	1937	5,000,000	M & S	96½	Dec. 11,'02	....	....	....
" gtd.3½ col.tr.cts.serB	1941	10,000,000	F & A	96	Mar. 19,'03	....	....	....
" Trust Co. ctfs. g. 3½'s.	1916	18,666,000	M & N	95½	June24,'03	95½	95	17,000
Chic., St. Louis & P. 1st c. 5's.	1932	1,506,000	A & O	122¼	Feb. 9,'03	....	....	....
" registered		...	A & O	110	May 3,'92	....	....	....
Cin., Leb. & N. 1st con.gtd.g.4's.	1942	1,063,000	J & J	....	....	....	....	....
Clev.&P.gen.gtd.g.4½'s Ser. A.	1942	3,000,000	J & J	121	Oct. 22,19'	....	....	....
" Series B	1942	1,561,000	A & O	....	....	....	....	....
" " int. reduc. 3½ p.c.		439,000	......	....	....	....	....	....
" Series C 3½s	1948	3,000,000	M & N	....	....	....	....	....
" Series D 3½s	1950	1,933,000	F & A	....	....	....	....	....
E.&Pitts. gen.gtd.g.3½s Ser.B.	1940	2,250,000	J & J	102	Nov. 7,19'	....	....	....
" " " C.	1940	1,508,000	J & J	....	....	....	....	....
Newp. & Cin. Bge Co. gtd g. 4's.	1945	1,400,000	J & J	....	....	....	....	....
Pitts., C. C. & St. L. con. g 4½'s.								
" Series A	1940	10,000,000	A & O	110¼	June 3,'03	110¼	110¼	1,000
" Series B gtd	1942	8,786,000	A & O	110⅜	June18,'03	110⅝	110⅜	16,000
" Series C gtd	1942	1,379,000	M & N	116½	Feb. 14,'01	....	....	....
" Series D gtd. 4's	1945	4,983,000	M & N	106¼	Nov. 19,'02	....	....	....
" Series E gtd. g. 3½s	1949	10,840,000	F & A	96	Jan. 13,'03	....	....	....
Pitts., Ft. Wayne & C. 1st 7's.	1912	2,407,000	J & J	127⅝	Oct. 21,'02	....	....	....
" 2d 7's	1912	2,047,500	J & J	128	Jan. 26,'03	....	....	....
" 3d 7's	1912	2,000,000	A & O	120	Mar. 16,'03	....	....	....
Tol Walhonding Vy.&O.1st gtd.bds								
4½'s series A	1931	1,500,000	J & J	....	....	....	....	....
" 4½'s series B	1933	978,000	J & J	....	....	....	....	....
" 4's series C	1942	1,492,000	M & S	....	....	....	....	....
Penn. RR. Co. 1st Rl Est. g 4's.	1923	1,675,000	M & N	104	Apr. 6,'03	....	...	....
con. sterling gold 6 per cent	1905	22,762,000	J & J	....	....	....	....	....
con. currency, 6's registered	1905	4,718,000	Q M 15	....	....	....	....	....
con. gold 5 per cent	1919	4,998,000	M & S	....	....	....	....	....
" registered			Q M	....	....	....	....	....
con. gold 4 per cent	1943	3,000,000	M & N	....	....	....	....	....
" ten year conv. 3½'s	1912	20,713,000	M & N	96	June30,'03	96	94	1,308,500
Allegh. Valley gen. gtd. g. 4's.	1942	5,389,000	M & S	110	Aug. 28,19'	....	....	....
Belvedere Del. con. gtd. 3½'s.	1943	1,000,000	J & J	....	....	....	....	....
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	112¾	Mar. 7,19'	....	....	....
Del.R. RR.& BgeCo 1stgtdg.4's,	1936	1,300,000	F & A	....	....	....	....	....
G.R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	111	Dec. 8,'02	....	....	....
Sunbury & Lewistown 1stg.4's.	1936	500,000	J & J	....	....	....	....	....
U'd N. J. RR. & Can Co. g 4's	1944	5,646,000	M & S	117	May 1,19'	....	....	....
Peoria & Pekin Union 1st 6's	1921	1,495,000	Q F	124½	Apr. 18,'03	....	....	....
" 2d m 4½'s	1921	1,499,000	M & N	95	June16,'03	95	95	1,000
Pere Marquette.								
Flint & Pere Marquette g. 6's.	1920	3,999,000	A & O	120½	May 27,'03	....	....	....
" 1st con. gold 5's	1939	2,850,000	M & N	109	May 26,'03	....	....	....
" Port Huron d 1st g 5's.	1939	3,325,000	A & O	109	May 28,'03	....	....	....
Sag'w Tusc. & Hur. 1st gtd.g.4's.	1931	1,000,000	F & A	....	....	....	....	....
Pine Creek Railway 6's	1962	3,500,000	J & D	137	Nov. 17,'93	....	....	....
Pittsburg, Clev. & Toledo 1st 6's.	1922	2,400,000	A & O	107½	Oct. 26,'93	....	....	....

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	*Date.*	JUNE SALES. *High.*	*Low.*	*Total.*
Pittsburg, Junction 1st 6's.......1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A. 1928	2,000,000	A & O	112½	Dec. 13,'93	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's, 1940	3,000,000	A & O	116¾	June22,'03	116¾	116¾	1,000
" 1st cons. 5's.............1943	408,000	J & J	87¾	Jan. 12,'19'	....	....	....
Pittsburg & West'n 1st gold 4's, 1917	1,589,000	J & J	100½	Mar. 25,'03	....	....	....
" J. P. M. & Co., ctfs., ...	8,111,000	......	100¼	Feb. 13,'03	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's, 1927	1,562,000	M & N	120½	Dec. 8,'02	....	....	....
Reading Co. gen. g. 4's...........1997	64,526,000	J & J	98⅛	June30,'03	98⅛	95⅝	517,000
" registered..................		J & J	96	May 7,'03	....	....	....
" Jersey Cent. col. g. 4's..1957	23,000,000	......	91½	June26,'03	91½	90	74,000
" " registered.....	....	......	....		....	....	....
Atlantic City 1st con. gtd. g. 4's. 1951	1,063,000	M & N	....		....	....	....
Rio Grande West'n 1st g. 4's.....1939	15,200,000	J & J	98	June30,'03	98¾	97	102,000
" mge & col. tr. g. 4's ser. A. 1949	12,200,000	A & O	89	June25,'03	89	89	5,000
" Utah Cen. 1st gtd. g. 4's. 1917	550,000	A & O	97	Jan. 3,02'	....	....	....
Rio Grande Junc'n 1st gtd. g. 5's, 1939	1,850,000	J & D	110½	Feb. 25,'03	....	....	....
Rio Grande Southern 1st g. 4's..1940	2,233,000	J & J	92	Mar. 23,'03	....	....	....
" guaranteed...............	2,277,000	......	94¼	Nov. 15,'02	....	....	....
Rutland RR 1st con. g. 4½ s 1941	2,440,000	J & J	....		....	....	....
Ogdnsb. & L. Ch'n. Ry. 1st gtd g4s1948	4,400,000	J & J	....		....	....	....
Rutland Canadian 1st gtd. g. 4's. 1949	1,350,000	J & J	101¼	Nov. 18,'01	....	....	....
Salt Lake City 1st g. sink fu'd 6's, 1913	297,000	J & J	....		....	....	....
St. Jo. & Gr. Isl. 1st g. 2.342.......1947	3,500,000	J & J	88	May 26,'03	....	....	....
St. L. & Adirondack Ry. 1st g. 5's. 1996	800,000	J & J	....		....	....	....
" 2d g. 6's................1996	400,000	A & O	....		....	....	....
St. Louis & San F. 2d 6's, Class B, 1906	998,000	M & N	105	May 7,'03	....	....	....
" 2d g. 6's, Class C 1906	829,000	M & N	103½	May 5,'03	....	....	....
" gen. g. 6's...........1931	3,681,000	J & J	127⅝	June19,'03	127⅝	127⅝	1,000
" gen. g. 5's 1931	5,803,000	J & J	113½	June25,'03	113¾	113¼	10,000
St. L & San F. R. R. con. g. 4's. 1996	1,558,000	J & D	95½	Jan. 9,'03	....	....	....
" S. W. div. g. 5's........1947	829,000	A & O	100	June 5,'02	100	100	1,000
" refunding g. 4's.......1951	48,186,000	J & J	85	June30,'03	86	84	537,000
" " registered...		J & J	....		....	....	....
Kan. Cy Ft. S. & MemRRcong6's1928	13,736,000	M & N	118	June 8,'03	118	118	2,000
Kan. Cy Ft. S & MRyrefggtd g4s. 1936	12,355,000	A & O	84½	June30,'03	85¾	83½	69,000
" registered..............		A & O	....		....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs., 1989	20,000,000	M & N	91½	June26,'03	94¼	91½	61,000
" 2d g. 4's inc. Bd. ctfs....1989	3,272,500	J & J	80½	June 5,'03	81¼	80⅜	10,000
" con. g. 4's.... 1932	12,054,000	J & D	78	June17,'03	80½	77½	160,000
Gray's Point, Term. 1st gtd. g. 5's. 1947	339,000	J & D	....		....	....	....
St. Paul, Minn. & Manito'a 2d 6's..1909	7,369,000	A & O	113½	Feb. 24,'03	....	....	....
" 1st con. 6's............1933	13,344,000	J & J	132	June23,'03	132	132	30,000
" 1st con. 6's, registered....		J & J	140	May 14,'02	....	....	....
" 1st c. 6's, red'd to g. 4½'s...	19,851,000	J & J	110¼	June20,'03	110⅞	110¼	6,000
" 1st cons. 6's register'd.....		J & J	115¼	Apr. 15,'01	....	....	....
" Dakota ext'n g. 6's...1910	5,570,000	M & N	111¼	May 29,'03	....	....	....
" Mont. ext'n 1st g. 4's..1937	10,185,000	J & D	100	June30,'03	100	100	7,000
" registered..................		J & D	106	May 6,'01	....	....	....
Eastern R'y Minn, 1std. 1stg. 5's..1908	4,700,000	A & O	104	May 7,'03	....	....	....
" registered..................		A & O	....		....	....	....
" Minn. N. div. 1stg. 4's..1940	5,000,000	A & O	....		....	....	....
" registered..................		A & O	....		....	....	....
Minneapolis Union 1st g. 6's....1922	2,150,000	J & J	128	Apr. 4,'19'	....	....	....
Montana Cent. 1st 6's int. gtd..1937	6,000,000	J & J	134	Mar. 16,'03	....	....	....
" 1st 6's, registered.........		J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's........... 1937	4,000,000	J & J	118½	May 1,'03	....	....	....
" registered..................		J & J	....		....	....	....
Willmar & Sioux Falls 1st g. 5's, 1938	3,625,000	J & D	125½	Feb. 17,'02	....	....	....
" registered..................		J & D	....		....	....	....
San Fe Pres. & Phoe. Ry. 1st g. 5's. 1942	4,940,000	M & S	111	Aug. 15,'01	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's, 1919	3,872,000	J & J	113¾	Dec. 11,'01	....	....	....
Sav. Florida & Wn. 1st c. g. 6's...1934	4,056,000	A & O	128	Oct. 28,'02	....	....	....
" 1st g. 5's................1934	2,444,000	A & O	112	Mar. 17,'99	....	....	....
" St. John's div. 1st g. 4's. 1934	1,350,000	J & J	95¼	Nov. 30,'01	....	....	....
Alabama Midland 1st gtd. g. 5s. 1928	2,800,000	M & N	111	Apr. 20,'03	....	....	....
Brunsw. & West. 1st gtd. g. 4's. .1938	3,000,000	J & J	87	Aug. 22,'01	....	....	....
Sil. S. Oc. & G. R. R. & lg. gtd. g. 4's. 1918	1,107,000	J & J	95¼	May 13,'03	....	....	....
Seaboard Air Line Ry g. 4's......1950	12,775,000	A & O	78½	June26,'03	80½	78½	88,000
" registered................		A & O	....		....	....	....
" col. trust refdg g. 5's..1911	10,000,000	M & N	101¾	June26,'03	101¾	101	16,000
Seaboard & Roanoke 1st 5's......1926	2,500,000	J & J	111¼	May 7,'03	....	....	....
Carolina Central 1st con. g. 4's. 1949	2,847,000	J & J	95½	Feb. 17,'03	....	....	....

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Sodus Bay & Sout'n 1st 5's, gold, 1924	500,000	J & J	102	Jan. 20,'03	....	....	....
Southern Pacific Co.							
" 2-5 year col. trust g. 4½'s. 1905	15,000,000	J & D	97½	June30,'03	97¾	97	23,000
" g. 4's Central Pac. coll.. 1949	28,818,500	J & D	87¾	June30,'03	88½	85½	213,000
" " registered......		J & D	95	Apr. 10,'02	....	....	....
Austin & Northw'n 1st g. 5's... 1941	1,920,000	J & J	105½	Feb. 25,'03	....	....	....
Cent. Pac. 1st refud. gtd. g. 4's.. 1949	60,017,000	F & A	98⅞	June30,'03	99⅛	98	158,000
" registered................		F & A	99¼	Mar. 5,'93	....	....	....
" mtge. gtd. g. 3½'s... 1929	18,069,500	J & D	84	June22,'03	85⅝	84	25,000
" " registered........		J & D	....	....	....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's.. 1910	4,756,000	F & A	110¼	Feb. 27,'03	....	....	....
" 2d g 7's............... 1905	1,000,000	J & D	105	Feb. 11,'03	....	....	....
" Mex. & P. div 1st g 5's. 1931	13,418,000	M & N	109⅞	Jan. 30,'03	....	....	....
Gila Val. G. & N'n 1st gtd g 5's. 1924	1,514,000	M & N	109½	Feb. 24,'03	....	....	....
Houst. E. & W. Tex. 1st g. 5's.. 1933	501,000	M & N	105	May 20,'02	....	....	....
" 1st gtd. g. 5's......... 1933	2,199,000	M & N	102½	Dec. 1,'02	....	....	....
Houst. & T.C. 1st g 5's int. gtd.. 1937	2,826,000	J & J	110½	June17,'03	112	110½	4,000
" con. g 6's int. gtd...... 1912	2,911,000	A & O	111	Mar. 14,'03	....	....	....
" gen. g 4's int. gtd...... 1921	4,287,000	A & O	92	May 7,'03	....	....	....
" W&Nwn. div. 1st. g. 6's. 1930	1,105,000	M & N	127½	Feb. 27,'02	....	....	....
Morgan's La & Tex. 1st g 6's.... 1920	1,494,000	J & J	122	Sept. 15,'02	....	....	....
" 1st 7's................. 1918	5,000,000	A & O	130	Nov. 19,'02	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's.. 1912	1,465,000	A & O	....	....	....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's. 1907	3,964,000	J & J	94	Nov. 30,'97	....	....	....
" gtd. g. 5's..	4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's........ 1927	19,207,000	J & J	105½	Nov. 7,'01	....	....	....
San Ant. & Aran Pass 1st gtd g 4's. 1943	18,900,000	J & J	78⅝	June26,'03	79	78½	59,000
South'n Pac. of Ariz. 1st 6's..... 1909	6,000,000	J & J	110¼	Apr. 9,'03	....	....	....
" " " 1910	4,000,000	J & J	111½	Apr. 6,'03	....	....	....
" of Cal. 1st g 6's ser. A. 1905	29,192,500	A & O	103¼	May 15,'03	....	....	....
" " " ser. B. 1905		A & O	104¼	May 15,'03	....	....	....
" " " C. & D. 1906		A & O	106½	May 15,'03	....	....	....
" " " E. & F. 1902		A & O	119¾	Feb. 20,'03	....	....	....
" " " 1912	....	A & O	119	Mar. 17,'03	....	....	....
" 1st con. gtd. g 5's... 1937	6,809,000	M & N	110	May 15,'03	....	....	....
" stamped........ 1905-1937	20,420,000	......	107½	May 27,'03	....	....	....
So. Pacific Coast 1st gtd. g. 4's. 1937	5,500,000	J & J	....	....	....	....	....
" of N. Mex. c. 1st 6's. 1911	4,180,000	J & J	108¾	June26,'03	108¾	108¾	5,000
Tex. & New Orleans 1st 7's...... 1905	862,000	F & A	108	May 20,'02	....	....	....
" Sabine div. 1st g 6's... 1912	2,575,000	M & S	111½	Oct. 30,'02	....	....	....
" con. g 5's.............. 1943	1,620,000	J & J	101	Apr. 25,'03	....	....	....
Southern Railway 1st con. g 5's. 1994	35,367,000	J & J	116⅜	June29,'03	116½	115¼	105,000
" registered....................		J & J	117	Feb. 26,'03	....	....	....
Mob. & Ohio collat. trust g. 4's. 1938	7,855,000	M & S	92	June29,'03	93	92	24,000
" registered.................		M & S	....	....	....	....	....
" Memph. div. 1st g. 4-4½-5's. 1996	5,183,000	J & J	112½	Apr. 15,'03	....	....	....
" registered....................		J & J	....	....	....	....	....
" St. Louis div. 1st g. 4's... 1951	11,250,000	J & J	95¾	June19,'03	97	95¾	17,000
" " registered.........		J & J	....	....	....	....	....
Alabama Central, 1st 6's....... 1918	1,000,000	J & J	120	Mar. 25,'01	....	....	....
Atlantic & Danville 1st g. 4's.. 1948	3,925,000	J & J	95	Dec. 4,'02	....	....	....
Atlantic & Yadkin, 1st gtd g 4s. 1949	1,500,000	A & O	....	....	....	....	....
Col. & Greenville, 1st 5-6's..... 1916	2,000,000	J & J	120	Sept. 10,'02	....	....	....
East Tenn., Va. & Ga. div. g. 5's. 1930	3,106,000	J & J	116⅛	May 29,'03	....	....	....
" con. 1st g 5's.......... 1956	12,770,000	M & N	115	June18,'03	115¼	115	15,000
" reorg. lien g 4's....... 1938	4,500,000	M & S	114	Jan. 26,'03	....	....	....
" registered................		M & S	....	....	....	....	....
Ga. Pacific Ry. 1st g 5-6's...... 1922	5,660,000	J & J	122	Mar. 30,'03	....	....	....
Knoxville & Ohio, 1st g 6's..... 1925	2,000,000	J & J	124½	Feb. 18,'03	....	....	....
Rich. & Danville, con. g 6's.... 1915	5,597,000	J & J	117	June30,'03	117	117	20,000
" equip. sink. f'd g 5's, 1909	818,000	M & S	101¼	July 20,19'	....	....	....
" deb. 5's stamped...... 1927	3,368,000	A & O	109¼	Apr. 21,'03	....	....	....
Rich. & Mecklenburg 1st g. 4's. 1948	315,000	M & N	92	Sept. 9,'02	....	....	....
South Caro'a & Ga. 1st g. 5's.... 1919	5,250,000	M & S	105	June20,'03	105½	104½	9,000
Vir. Midland serial ser. A 6's.. 1906	600,000	M & S	....	....	....	....	....
" small......................		M & S	....	....	....	....	....
" ser. B 6's.............. 1911	1,900,000	M & S	112½	Jan. 6,'03	....	....	....
" small......................		M & S	....	....	....	....	....
" ser. C 6's.............. 1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
" small......................		M & S	....	....	....	....	....
" ser. D 4-5's............ 1921	950,000	M & S	112	Feb. 18,'03	....	....	....
" small......................		M & S	....	....	....	....	....
" ser. E 5's.............. 1926	1,775,000	M & S	115	Jan. 6,'03	....	....	....
" small......................		M & S	....	....	....	....	....
" ser. F 5's.............. 1931	1,310,000	M & S	114	Dec. 18,'02	....	....	....
Virginia Midland gen. 5's...... 1936	2,392,000	M & N	113	June11,'03	113	112	4,000
" gen. 5's. gtd. stamped. 1926	2,466,000	M & N	113½	May 14,'03	....	....	....

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W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	93	Feb. 20,'03	....	....	....
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	115⅛	Mar. 6,'03	....	....	....
Spokane Falls & North. 1st g. 6's	1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl. Ry. N. Y. 1st gtd. g. 4½'s	1943	500,000	J & D	104½	Sept. 2,'02	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	111⅛	June20,'03	111⅛	111	5,000
" 1st con. g. 5's	1894-1944	5,000,000	F & A	114¼	June25,'03	114¼	114¼	59,000
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	115	June30,'03	115	115	10,000
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th	1905	2,815,000	M & S	102	May 29,19'	....	....	....
" 1st gold 5's	2000	22,120,000	J & D	115	June18,'03	115⅛	113½	66,000
" 2d gold income, 5's	2000	963,000	MAR.	81	June25,'03	81	81	3,000
" La. Div. B. L. 1st g. 5's	1931	3,348,000	J & J	111	Jan. 3,'03	....	....	....
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	112½	June26,'03	112½	112¼	5,000
" 1st M. g 5's West. div.	1935	2,500,000	A & O	113	June20,'03	113	113	4,000
" gen. g. 5's	1935	2,000,000	J & D	112¾	Mar. 2,'03	....	....	....
" Kanaw & M. 1st g. g. 4's	1990	2,469,000	A & O	90½	June25,'03	90½	90	7,000
Toledo Peoria & W. 1st g 4's	1917	4,900,000	J & D	90½	June24,'03	90½	90½	5,000
Tol., St. L. & Wn. prior lien g 3½'s	1925	9,000,000	J & J	84	June15,'03	85¾	84	15,000
" registered			J & J	....	....	....	....	....
" fifty years g. 4's	1925	6,500,000	A & O	77	June30,'03	79	73	45,000
" registered			A & O	....	....	....	....	....
Toronto, Hamilton & Buff 1st g 4s	1946	3,280,000	J & D	98	Apr. 29,'03	....	....	....
Ulster & Delaware 1st c. g 5's	1925	1,852,000	J & D	110	Apr. 25,'03	....	....	....
Union Pacific R. R. & ld gt g 4s	1947	100,000,000	J & J	102⅝	June30,'03	103	102	725,000
" registered			J & J	102½	May 21,'03	....	....	....
" 1st lien con. g. 4's	1911	87,259,000	M & N	96⅜	June30,'03	96⅞	92⅛	8,478,000
" registered			M & N	105¼	Dec. 6,'02	....	....	....
Oreg. R. R. & Nav. Co. con. g 4's	1946	21,482,000	J & D	98	June27,'03	98½	97¼	76,000
Oreg. Short Line Ry. 1st g. 6's	1922	13,651,000	F & A	125	June18,'03	125½	125	24,000
" 1st con. g. 5's	1946	12,328,000	J & J	112¾	June26,'03	112¾	111	20,500
" 4's & participat'g g. bds.	1927	41,000,000	F & A	92	June30,'03	92	89¾	989,000
" registered			F & A	....	....	....	....	....
Utah & Northern 1st 7's	1908	4,993,000	J & J	115	Nov. 24,'01	....	....	....
" g. 5's	1926	1,877,000	J & J	114½	Apr. 19,'02	....	....	....
Virginia & S'western 1st gtd. 5's	2003	2,000,000	J & J	103½	June 2,'03	103½	103½	29,000
Wabash R. R. Co., 1st gold 5's	1939	32,498,000	M & N	114¾	June27,'03	116	113½	117,000
" 2d mortgage gold 5's	1939	14,000,000	F & A	105	June30,'03	105¾	104	174,000
" deben. mtg series A	1939	3,500,000	J & J	101½	Apr. 28,'03	....	....	....
" series B	1939	26,500,000	J & J	72⅝	June30,'03	76¾	71	5,193,000
" first lien eqpt. fd. g. 5's	1921	3,000,000	M & S	104½	Dec. 11,'02	....	....	....
" 1st g. 5's Det. & Chi. ex.	1940	3,411,000	J & J	108¾	June17,'03	108¾	108¾	2,000
" Des Moines div. 1st g. 4s	1939	1,600,000	J & J	97	May 12,'02	....	....	....
" Omaha div. 1st g. 3½s	1941	3,500,000	A & O	84	June23,'03	84¼	84	24,000
" Tol. & Chic. div. 1st g. 4's	1941	3,000,000	M & S	98	Mar. 17,'02	....	....	....
St. L., K. C. & N. St. Chas. B. 1st 6's	1908	473,000	A & O	109½	Mar. 13,'03	....	....	....
Western N. Y. & Penn. 1st g. 5's	1937	10,000,000	J & J	117¼	May 20,'03	....	....	....
" gen g. 3-4's	1943	9,789,000	A & O	98½	Apr. 24,'03	....	....	....
" inc. 5's	1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va. Cent'l & Pitts. 1st g. 6's	1911	3,250,000	J & J	112	Apr. 27,'03	....	....	....
Wheeling & Lake Erie 1st g. 5's	1926	2,000,000	A & O	116½	Jan. 21,'03	....	....	....
" Wheeling div. 1st g. 5's	1928	894,000	J & J	113	Sept. 9,'02	....	....	....
" exten. and imp. g. 5's	1930	343,000	F & A	110	Mar. 6,'03	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's	1949	11,130,000	M & S	90½	June30,'03	91¼	89½	43,000
Wisconsin Cen. R'y 1st gen. g. 4s	1949	23,879,000	J & J	91	June30,'03	91½	90	132,000
STREET RAILWAY BONDS.								
Brooklyn Rapid Transit g. 5's	1945	6,625,000	A & O	102	June27,'03	105	102	27,000
" Atl. av. Bkn. imp. g. 5's	1934	1,500,000	J & J	110	Jan. 20,'99	....	....	....
" City R. R. 1st c. 5's 1916.	1941	4,373,000	J & J	110	Apr. 14,'03	....	....	....
" Qu. Co. & Sur. con. gtd. g. 5's	1941	2,255,000	M & N	102	June10,'03	102	101	3,000
" Union Elev. 1st. g. 4-5s	1950	16, 00,000	F & A	100½	June30,'03	100⅞	100	155,000
" stamped guaranteed				101	May 7,'03	....	....	....
Kings Co. Elev. R. R. 1st g. 4's	1949	7, 00,000	F & A	85	June29,'03	85	85	4,000
" stamped guaranteed			......	....	....	....	....	....
Nassau Electric R. R. gtd. g. 4's	1951	10,474,000	J & J	85½	Jan. 5,'03	....	....	....
City & Sub. R'y, Balt. 1st g. 5's	1922	2,430,000	J & D	105⅝	Apr. 17,'95	....	....	....
Conn. Ry. & Lightg 1st & rfg. g 4½'s	1951	8,355,000	J & J	99⅞	Oct. 30,'02	....	....	....
Denver Con. T'way Co. 1st g. 5's	1933	730,000	A & O	97½	June13,19'	....	....	....
Denver T'way Co. con. g. 6's	1910	1,219,000	J & J	....	....	....	....	....
Metropol'n Ry Co. 1st g. g. 6's	1911	918,000	J & J	....	....	....	....	....
Detroit Cit'ens St. Ry. 1st con. g. 5's	1905	5,485,000	J & J	103	Nov. 23,'01	....	....	....
Grand Rapids Ry 1st g. 5's	1916	2,500,000	J & D	....	....	....	....	....
Louisville Railw'y Co. 1st c. g. 5's	1930	4,600,000	J & J	109	Mar. 19,'98	....	....	....
Market St. Cable Railway 1st 6's	1913	3,000,000	J & J	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date: highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JUNE SALES. *High.*	JUNE SALES. *Low.*	JUNE SALES. *Total.*
Metro. St. Ry N.Y.g. col. tr.g. 5's.1997	12,500,000	F & A	114	June24,'03	115	114	14,000
" refunding 4's..........2002	12,780,000	A & O	93⅝	May 20,'03	....	....	....
B'way & 7th ave. 1st con. g. 5's, 1943	7,650,000	J & D	114	June25,'03	114	114	2,000
" registered..................		J & D	119⅛	Dec. 3,19'	....	....	....
Columb. & 9th ave. 1st gtd g 5's, 1993	3,000,000	M & S	118⅛	June25,'03	118⅛	118⅛	2,000
" registered..................		M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	116⅛	June15,'03	116⅛	116⅛	12,000
" registered..................		M & S	....	....	....	....	....
Third Ave. R.R. 1st c.gtd.g.4's..2000	35,000,000	J & J	97¼	June30,'03	97¼	95⅛	99,000
" registered..................		J & J	....	....	....	....	....
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	118⅛	June19,'03	118⅛	117⅛	2,000
Met. West Side Elev. Chic. 1st g.4's.1938	10,000,000	F & A	99⅛	Mar. 27,'03	....	....	....
" registered..................		F & A	....	....	....	....	....
Mil. Elec. R.& Light con. 30yr.g.5's.1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's.........1919	4,050,000	J & J	110	June26,'01	....	....	....
St. Jos. Ry. Lig't, Heat & P. 1st g.5's. 1937	3,500,000	M & N	....	....	....	....	....
St. Paul City Ry. Cable con.g.5's. 1937	2,480,000	J&J15	109¼	Apr. 14,'03	....	....	....
" gtd. gold 5's............1937	1,138,000	J & J	112	Nov. 28,'99	....	....	....
Union Elevated (Chic.) 1st g.5's. 1945	4,387,000	A & O	109⅛	Dec. 14,'99	....	....	....
United Railways of St. L. 1st g.4's. 1934	28,292,000	J & J	84⅝	June25,'03	85¾	84⅝	10,000
United R. R. of San Fr. s. fd. 4's...1927	20,000,000	A & O	77¾	June30,'03	79	76¾	409,000
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	....	....	....	....	....
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....

MISCELLANEOUS BONDS.

NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	*Price.*	*Date.*	*High.*	*Low.*	*Total.*
Adams Express Co. col. tr. g. 4's. 1948	12,000,000	M & S	103¾	June25,'03	104	103¾	57,000
Am. Steamship Co. of W. Va.g.5's 1920	5,452,000	M & N	100¾	June 4,'02	....	....	....
Bklyn. Ferry Co. of N.Y. 1st c.g.5's. 1948	6,500,000	F & A	73	Mar. 26,'03	....	....	....
Chic. Junc. & St'k Y'ds col. g. 5's. 1915	10,000,000	J & J	111	Mar. 7,'01	....	....	....
Der. Mac. & Ma. ld. gt. 3½'s sem. an. 1911	2,771,000	A & O	87¾	June30,'03	87¾	82	38,000
Hackensack Water Co. 1st 4's....1952	3,000,000	J & J	....	....	....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g.5's....1916	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's. 1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's.............1890–1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	91⅝	June24,'03	91¾	90	14,000
" registered..................		F & A	....	....	....	....	....
St. Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J	....	....	....	....	....
St. Louis Terml. Cupples Station & Property Co. 1st g 4½'s 5-20..1917	3,000,000	J & D	....	....	....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	101	Feb. 19,'97	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	113½	Dec. 18,19'	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series D 4½'s...............1901–1916	1,000,000	J & J	....	....	....	....	....
" E 4's...............1907–1917	1,000,000	J & D	....	....	....	....	....
" F 4's...............1908–1918	1,000,000	M & S	....	....	....	....	....
" G 4's...............1903–1918	1,000,000	F & A	100	Mar. 15,19'	....	....	....
" H 4's...............1903–1918	1,000,000	M & N	....	....	....	....	....
" I 4's...............1904–1919	1,000,000	F & A	....	....	....	....	....
" J 4's...............1904–1919	1,000,000	M & N	....	....	....	....	....
" K 4's...............1905–1920	1,000,000	J & J	....	....	....	....	....
Small bonds..................	....	......	....	....	....	....	....
BONDS OF MANUFACTURING AND INDUSTRIAL CORPORATIONS.							
Am. Bicycle Co. sink. fund deb.5's.1919	9,234,000	M & S	34	Feb. ?,'03	....	....	....
Am. Cotton Oil deb. ext. 4½'s....1915	2,919,000	......	97	June30,'03	98	96⅝	22,000
Am. Hide & Lea. Co. 1st s. f. 6's...1919	8,875,000	M & S	86¾	June29,'03	90	86¾	40,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & S	85	June19,'03	85	85	1,000
Am. Thread Co., 1st coll. trust 4's.1919	6,000,000	J & J	78	June 4,'03	78	78	4,000
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's.1951	157,378,200	F & A	60⅛	June30,'03	61¼	59½	1,909,000
" registered..................		F & A	66⅛	Oct. 8,'02	....	....	....
Dis. Secur. Cor. con. 1st g. 5's....1927	18,379,000	A & O	62½	June30,'03	65¾	62	288,000
Dis. Co. of Am. coll. trust g 5's..1911	3,590,000	J & J	100	Mar. 25,'03	....	....	....
Illinois Steel Co. debenture 5's...1910	1,400,000	J & J	99	Jan. 17,'99	....	....	....
" non. conv. deb. 5's......1910	7,000,000	A & O	100	May 2,'02	....	....	....
Internat'l Paper Co. 1st con.g 6's.1918	9,326,000	F & A	106⅛	June24,'03	107	106	27,000
Knick'r'ker Ice Co. (Chic) 1st g 5's.1928	2,000,000	A & O	98	Feb. 24,'03	....	....	....
Nat. Starch Mfg. Co., 1st g 6's...1920	2,924,000	J & J	95	Mar. 2,'03	....	....	....
Nat. Starch. Co's fd. deb. g. 5's..1925	4,137,000	J & J	70	June 4,'03	71	70	6,000
Standard Rope & Twine 1st g. 6's.1946	2,740,000	F & A	57	June29,'03	61	57	86,000

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MISCELLANEOUS BONDS—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JUNE SALES. *High.*	JUNE SALES. *Low.*	JUNE SALES. *Total.*
Standard Rope&Twine inc.g.5s	1946	7,500,000	......	6⅝	June27,'03	7⅛	6⅛	303,000
United Fruit Co., con. 5's	1911	4,000,000	M & S	....	....	....	....	....
U. S. Env. Co. 1st sk. fd. g. 6's	1918	3,797,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb.	1915	5,280,000	M & N	111	June28,'03	111	110½	19,000
U. S. Reduction & Refin. Co. 6's	1931	....	......	83	May 27,'03	....	....	....
U. S. Shipbldg. 1st & fd g.5'sSer.A.	1932	14,500,000	J & J	25	June30,'03	40	23	19,000
″ collat. and mge. 5's	1932	10,000,000	F & A	91	Jan. 15,'03	....	....	....
U.S.Steel Corp. col. tr. 2d gs. 5's	1963	....	M & N	83½	June30,'03	87⅝	81¾	1,416,300
″ ″ ″ reg.	1963	....	M & N	82¾	June30,'03	86½	82	6,500
BONDS OF COAL AND IRON COS.								
Colo. C'l & I'n Devel.Co. gtd g.5's	1909	700,000	J & J	55	Nov. 2,19'	....	....	....
″ Coupons off		....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's	1919	640,000	M & N	112	Apr. 30,'03	....	....	....
Col. Fuel & Iron Co. gen. sf g 5's	1943	5,347,000	F & A	100½	June22,'03	103	100	33,000
″ conv. deb. g. 5's	1911	14,068,000	F & A	86	June30,'03	86	78½	2,459,000
″ registered			F & A	....	....	....	....	....
Continental Coal 1st s. f. gtd. 5's	1952	2,750,000	F & A	....	....	....	....	....
Grand Riv. Coal & Coke 1st g. 6's	1919	949,000	A & O	115	June23,'02	....	....	....
Jefferson & Clearfield Coal & Ir.								
″ 1st g. 5's	1926	1,621,000	J & D	105⅛	Oct. 10,'98	....	....	....
″ 2d g. 5's	1926	1,000,000	J & D	80	May 4,'97	....	....	....
Kan. & Hoc. Coal&Coke 1st g.5's	1951	2,750,000	J & J	105	Oct. 24,19'	....	....	....
Pleasant Valley Coal 1st g. s.f.5s.	1928	1,174,000	J & J	106¼	Feb. 27,'02	....	....	....
Roch &Pitts.Cl&Ir.Co.pur my5's.	1946	1,092,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's	1912	379,000	J & D	....	....	....	....	....
Ten. Coal, I. & R. T. d. 1st g 6's	1917	1,244,000	A & O	103	June29,'03	103	103	9,000
″ Bir. div. 1st con. 6's	1917	3,399,000	J & J	112	June30,'03	112	110	9,000
Cah. Coal M. Co. 1st gtd. g 6's	1922	1,000,000	J & V	105	Feb. 10,19'	....	....	....
De Bard. C & I Co. gtd. g 6's	1910	2,771,000	F & J	102	June23,'03	102	102	1,000
Va. Iron, Coal & Coke, 1st g. 5's	1949	6,993,000	M & S	77	June29,'03	78	75	55,000
Wheel L. E. & P. Cl Co. 1st g 5's.	1919	836,000	J & J	32	Jan. 15,19'	....	....	....
GAS & ELECTRIC LIGHT CO. BONDS.								
Atlanta Gas Light Co. 1st g. 5's	1947	1,150,000	J & D	....	....	....	....	....
B'klyn Union GasCo.1stcong. 5's.	1945	14,493,000	M & N	112¼	June25,'03	115	112¼	48,000
Buffalo Gas Co. 1st g. 5's	1947	5,900,000	A & O	74	June24,'03	76	74	2,000
Columbus Gas Co., 1st. g. 5's	1932	1,215,000	J & J	104½	Jan. 28,'98	....	....	....
Detroit City Gas Co. g. 5's	1923	5,603,000	J & J	97½	Jane27,'03	98½	97⅛	13,000
Detroit Gas Co. 1st con.g.5's	1918	881,000	F & A	105	June 2,'03	105	105	2,000
Equitable Gas Light Co. of N. Y.								
1st con. g. 5's	1932	3,500,000	M & S	102⅞	Feb. 19,'03	....	....	....
Gas. & Elec. of Bergen Co. c.g.5s.	1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Gen. Elec. Co. del. g. 3½'s	1942	2,049,400	F & A	....	....	....	....	....
Grand Rapids G. L. Co. 1stg.5's.	1915	1,225,000	F & A	107¾	Dec. 17,19'	....	....	....
Hudson Co. Gas Co. 1st g. 5's	1949	9,180,000	M & N	....	....	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.	1922	3,750,000	A & O	....	....	....	....	....
Kings Co. Elec. L.&Power g. 5's	1937	2,500,000	A & O	....	....	....	....	....
″ purchase money 6's	1997	5,010,000	J & J	118½	June22,'03	118½	118½	5,000
Edison El.Ill.Bkln 1st con.g.4's.	1939	4,275,000	J & J	93¼	May 29,'03	....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's.	1919	10,000,000	Q F	104½	June30,'03	105½	104½	48,000
″ small bonds				97½	Nov. 1,'95	....	....	....
Milwaukee Gas Light Co. 1st 4's	1927	6,000,000	M & N	95	July 31,'02	....	....	....
Newark Cons. Gas, con. g. 5's	1948	5,274,000	J & D	....	....	....	....	....
N.Y.GasEL.H&PCo1stcol tr g5's.	1948	15,000,000	J & D	107	June26,'03	108	106	30,000
″ registered			J & D					
″ purchase mny col tr g 4's.	1949	20,389,000	F & A	91	June30,'03	92½	91	45,000
Edison El. Illu. 1st conv. g. 5's.	1910	4,312,000	M & S	104½	May 14,'03	....	....	....
″ 1st con. g. 5's	1995	2,156,000	J & J	119	Apr. 24,'03	....	....	....
N.Y.&Qus.Elec.Lg.&P.1st.c.g.5's	1930	2,272,000	F & A	103	June 4,'03	103	103	6,000
N.Y.& RichmondGasCo.1stg. 5's.	1921	1,000,000	M & N	102¾	Apr. 30,'03	....	....	....
Paterson&Pas. G.&E. con.g.5's	1949	3,317,000	M & S	....	....	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's.	1904	2,100,000	M & N	103½	Feb. 25,'03	....	....	....
″ 2d gtd. g. 6's	1904	2,500,000	J & D	102½	Mar. 17,'03	....	....	....
″ 1st con. g 6's	1943	4,900,000	A & O	117½	June22,'03	117½	117	6,000
″ refunding g. 5's	1947	2,500,000	M & S	105¼	Apr. 12,'03	....	....	....
″ refuding registered			M & S	....	....	....	....	....
Chic.Gas Lt&Coke 1st gtd g.5's.	1937	10,000,000	J & J	108	June 9,'03	108½	108	18,000
Con. Gas Co.Chic. 1st gtd.g.5's.	1936	4,346,000	J & D	105	June 3,'03	105	105	4,000
Eq.Gas&Fuel,Chic.1stgtd.g.6's.	1905	2,000,000	J & J	103	June17,'03	103	103	1,000
MutualFuelGasCo.1stgtd.g.5's.	1947	5,000,000	M & N	105	Feb. 16,'03	....	....	....
″ registered		....	......	....	....	....	....	....
Syracuse Lighting Co. 1st g. 5's	1951	2,000,000	J & D	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's.	1949	1,500,000	M & S	109	Feb. 8,'01	....	....	....
Utica Elec. L. & P. 1st s. f'd g.5's.	1950	500,000	J & J	....	....	....	....	....
Westchester Lighting Co. g. 5's.	1950	5,380,000	J & D	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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MISCELLANEOUS BONDS—*Continued*.

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JUNE SALES. *High*	JUNE SALES. *Low.*	*Total.*
TELEGRAPH AND TELEPHONE CO. BONDS.							
Am.Teleph.&Teleg.coll.trust.4's.1929	28,000,000	J & J	96½	Apr. 29,'03	....	....	....
Commercial Cable Co. 1st g. 4's.2397.	10,828,000	Q & J	100½	Apr. 8,'02	....	....	....
" registered....................		Q & J	100½	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.							
Erie Teleg. & Tel. col. tr. g s fd 5's.1926	3,905,000	J & J	109	Oct. 7,'99	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's.1918	2,000,000	M & N	114	Nov. 7,'02	....	....	....
" registered..................		M & N					
N. Y. & N. J. Tel. gen. g 5's.......1920	1,261,000	M & N	108¼	Apr. 15,'03	....	....	....
Western Union col. tr. cur. 5's...1938	8,504,000	J & J	106	June16,'03	108	106	5,000
" fundg & real estate g.4½'s.1950	16,000,000	M & N	103	June25,'03	103⅜	102⅝	17,000
Mutual Union Tel. s. fd. 6's....1911	1,957,000	M & N	107½	June23,'03	107½	107½	5,000
Northwestern Telegraph 7's...1904	1,250,000	J & J	104	May 9,'02	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME *Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1903. *High.*	YEAR 1903. *Low.*	JUNE SALES. *High.*	JUNE SALES. *Low.*	*Total.*
United States con. 2's registered...1930	515,411,050	Q J	106⅛	106	106	106	3,000
" con. 2's coupon............1930		Q J	107⅛	106¼	106¼	106¼	28,000
" con. 2's reg. small bonds..1930		Q J	....	....	....	....	......
" con. 2's coupon small bds.1930		Q J	....	....	....	....	......
" 3's registered...........1908–18	84,789,800	Q F	108½	107	108	107¾	6,500
" 3's coupon..............1908–18		Q F	109	107⅛	108	108	6,500
" 3's small bonds reg.....1908–18		Q F	....	....	....	....	......
" 3's small bonds coupon.1908–18		Q F	108½	107⅛	....	....	......
" 4's registered..............1907	176,434,800	J A J&O	111½	109	110	110	1,000
" 4's coupon.................1907		J A J&O	112	109¼	....	....	......
" 4's registered..............1925	118,489,900	Q F	136½	135	135¼	135¼	10,000
" 4's coupon.................1925		Q F	137½	136	....	....	......
" 5's registered..............1904	19,885,050	Q F	....	....	....	....	......
" 5's coupon.................1904		Q F	103⅜	103	103¼	103¼	1,000
District of Columbia 3-65's...........1924	14,224,100	F & A	121	121	....	....	......
" small bonds.....................		F & A	....	....	....	....	......
" registered......................		F & A	....	....	....	....	......
STATE SECURITIES.							
Alabama Class A 4 and 5..............1906	6,859,000	J & J	....	....	....	....	......
" " small............	....	....	....	....	....	....	......
" Class B 5's..................1906	575,000	J & J	....	....	....	....	......
" Class C 4's..................1906	962,000	J & J	....	....	....	....	......
" currency funding 4's.......1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.							
Louisiana new ocn. 4's................1914	10,752,800	J & J	106	106	....	....	......
" " small bonds..........			....	....	....	....	......
Missouri fdg. bonds due.........1894-1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's................1910	3,397,350	J & J					......
" small........................		J & J	....	....	....	....	......
" 6's..........................1919	2,720,000	A & O	....	....	....	....	......
South Carolina 4½'s 20–40............1933	4,392,500	J & J	....	....	....	....	......
Tennessee new settlement 3's.........1913	6,681,000	J & J	97	95	....	....	......
" registered.....................	6,079,000	J & J	....	....	....	....	......
" small bond.....................	362,200	J & J	....	....	....	....	......
Virginia fund debt 2–3's of...........1991	18,046,336	J & J	....	....	....	....	......
" registered.....................		J & J	....	....	....	....	......
" 6's deferred cts. Issue of 1871	8,974,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....	8,716,565	....	12	7⅛	7½	7⅛	81,000
FOREIGN GOVERNMENT SECURITIES.							
Frankfort-on-the-Main, Germany, bond loan 3½'s series 1......1901	14,776,000 (Marks.)	M & S	....	....	....	....	......
Four marks are equal to one dollar.							
Imperial Russian Gov. State 4% Rente....	2,310,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.							
Quebec 5's............................1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's..................	....	Q J	98⅝	90½	....	....	......
Regular delivery in denominations of £100 and £200..........................	£22,357,680	......	....	....	....	....	......
Small bonds denominations of £20	....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.	....	......	....	....	....	....	......

BANKERS' OBITUARY RECORD.

Adams.—H. E. Adams, Cashier of the First National Bank, Hooper, Neb., died May 29, aged forty-four years. Mr. Adams was a native of Wisconsin, but was for many years a resident of Nebraska, where he had been connected with banking for a long period.

Arnold.—Cyrus Arnold, prominently identified with banking and business and political affairs, at Woonsocket, R. I., died May 29. He was for about twenty-five years Vice-President of the Citizens' National Bank, resigning last January on account of failing health. He had been a member of the General Assembly and had held a number of local offices.

Barnes.—Charles D. Barnes, President of the Southington (Ct.) National Bank and Vice-President of the Southington Savings Bank, died May 31, aged sixty-nine years. He was a native of Southington, and was prominently connected with business enterprises there. He had also held many local offices and served several terms in the State Legislature.

Church.—Col. George Church, President of the Great Barrington (Mass.) Savings Bank, died June 27, aged nearly seventy-seven years. He was well known throughout Western Massachusetts, where he had been successfully engaged in manufacturing for a long period.

Hart.—Lemuel H. Hart, Secretary of the Harlem Savings Bank, New York city, died May 28, aged seventy-two years.

Hubbard.—Samuel B. Hubbard, President of the Mercantile Exchange Bank, Jacksonville, Fla., died June 21. He was a native of North Carolina, but was a resident of Jacksonville for many years, and was connected with a number of large and successful business undertakings in that city.

Hutchinson.—Pemberton S. Hutchinson, President of the Philadelphia Saving Fund Society, died June 26. Mr. Hutchinson was also director of a number of Philadelphia banks and other corporations. He was born at Lisbon, Portugal, where his father was the American consul.

Hyde.—Dana W. Hyde, President of the Cambridgeport Savings Bank, Cambridge, Mass., died June 15. He was born at Brattleboro, Vt., in 1839, and went to Cambridge while a boy. After engaging in business for a time in the West, he returned to Cambridge and embarked in merchandising, and also became president of the Cambridge Mutual Life Insurance Co., President of the Cambridgeport Savings Bank, and a director of the First National Bank.

Locke.—Frederick A. Locke, who was for fifty years Cashier of the Mechanics and Traders' Bank, New York city, died June 20, aged ninety-four years.

Rise.—Adam Rise, President of the Valley National Bank, Lebanon, Pa., died June 3, aged eighty-five years.

Smith.—Major Samuel W. Smith, President of the Bank of Malvern, Ark., died June 5. He was a native of North Carolina, but had long been a resident of Arkansas.

Sprague.—Col. Nathan T. Sprague, founder and President of the Sprague National Bank, Brooklyn, N. Y., died May 24 in his seventy-fifth year. He was a native of Vermont and in early life was engaged in banking at Brandon and Rutland, and also interested in other business enterprises. In 1883 Col. Sprague removed to Brooklyn and established the Sprague National Bank, which he has successfully managed ever since. He was also one of the organizers of the City Savings Bank, of Brooklyn, and was active in the promotion of other business and benevolent organizations.

Winchell.—Cyrus Winchell, Vice-President of the People's Savings Bank, Rockville, Ct., and acting President for some time, and also a director of the Rockville National Bank, died June 18, aged seventy-four years.

THE

BANKERS' MAGAZINE

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

FIFTY-SEVENTH YEAR. AUGUST, 1903. VOLUME LXVII, No. 2.

THE TREASURY SURPLUS for the fiscal year 1903 turns out to have been $52,000,000. Of this bond redemptions have absorbed $24,000,000 and the balance has nearly all been placed with depository banks. The Treasury therefore has drawn practically no cash from circulation.

The estimates of the Secretary of the Treasury for the fiscal year 1904 expect an increase in the combined customs and internal revenue and a small increase in expenditures. He estimated the surplus for the fiscal year 1904 at $51,800,000. His estimate for 1903 was exceeded by $10,000,000. The indications now seem to point to the surplus for 1904 being also in excess of the estimate. There is, however, the prospective expenditure for the Panama Canal if Colombia ever allows the bargain to be closed. The general outlook therefore is good that for at least a year to come the Treasury surplus will not be a disturbing element in our money market to any serious extent. It is, however, risky to venture any very positive prophecy on a subject that may be affected by so many unforeseen contingencies.

The freedom with which the banks are now used as depositories of the public money will go far to obviate bad consequences even should the revenues be considerably swollen beyond what is now anticipated. The public is beginning to understand that keeping public moneys in the banks does not mean any special favor to these institutions, and that the business men are the ones who benefit the most by this departure from the custom of keeping the Government cash in its own vaults. In view of this better understanding of the matter that now prevails, and also because both parties have used this method of lessening the evils of the Treasury surplus, it has become impossible to raise any political issue, as Mr. BLAINE attempted to do during Mr. CLEVELAND'S Administration. Bank favoritism cannot readily be charged so long as the banks receiving the public moneys are obliged to furnish bonded security.

Governmental influence upon the future of the money market seems therefore to be reduced to a minimum for a year at least. All that remains is to see that the demands of business are met as they arise. If any pinch should come the banks cannot very well look to the Treasury, practically without any locked-up surplus, for assistance, as they have done so often heretofore. They will have the opportunity to figure out the needs of business as they arise, without any danger of Treasury interference.

THE RECENT UTTERANCES OF MR. CANNON, the prospective Speaker of the next House of Representatives, appear hostile to the success of any financial legislation at the next session of Congress, and seem to settle adversely in advance the fate of measures like the ALDRICH and FOWLER bills. Too much importance may, however, be attached to such manifestos, inasmuch as no one can predict what may happen in the money market before Congress meets. Financial legislation in the United States has, as a rule, been forced upon Congress by the immediate pressure of current events, and it is this custom of waiting for an emergency to materialize, before Congress takes action, that has impressed on the monetary laws of the country their piecemeal character.

It is vain to urge that the time to make wise changes in these laws, so as to impart a well-balanced and uniform character to the monetary system, is when the country is prosperous, so that the advent of harder times may find the business world better prepared to prevent disaster. As long as no one feels the imperfections which only show themselves under strain, every one is lulled by that soothing sapiency of letting well enough alone. Congress, in its habits of legislation, reflects popular thought and feeling, and the happy optimism of the American people, confident from the good luck they have had in the past, of coming right side up and comparatively unharmed through difficulties at the time pronounced most appalling and even insuperable, leads them to believe that whatever difficulties, whether foreseen or unforeseen, arise Providence or good luck or the unsurpassed wisdom of our legislators, will provide an adequate means of overcoming them. Do not cross the bridge till you come to it, is a very convincing maxim, but often applied and used as a source of comfort where there are grave doubts whether the bridge when reached will support the weight put upon it or whether the bridge has yet to be constructed. But because of this habit of mind, and the impossibility of foretelling the future, Congress has often been called upon most unexpectedly to provide the means of escape from financial disaster, and until next December little confidence can be placed in prophecies, even by so high an authority as the prospective Speaker of the House, that financial legislation can be avoided.

Despite their happy faith in the future when prosperity prevails, the American people call very strenuously on their legislators when business troubles begin. The critical time of the year has yet to be passed through. The fall season, with the movement of the crops and the gathering up of the profits of the season's enterprises, is what brings the strain on the money market. The same inconveniences which have manifested themselves in previous years under the present monetary laws may again threaten. The condition of the banks, with their great extension of loans and decrease of reserves, does not point to any greater ability to meet sudden new demands than heretofore. The Treasury may be forced by increased revenues to withdraw funds from the money market. This fall may again see the old devices—bonds purchased, interest advanced, public deposits placed with the banks, etc.—which have so imperfectly met the demands of the moment, resorted to. These old devices depend for success on the public security market, and the decreasing debt of the United States, and the continually diminishing proportion which this debt bears to the wealth of the country render these means of relief of the money market less and less effective. No one can say positively that the next Congress may not be forced to consider some measure of a financial character. Pressure in the money market the coming fall, from the necessity of moving abundant crops, or a condition of uncertainty and distrust caused by crop failure, may cause such a demand for more money that it will be impossible for Congress not to respond.

The danger of past neglect in not providing some means by which the banks can relieve unexpected or unusual pressure for money, is that opportunity will be afforded for the growth of a new crop of financial heresies. Foreign observers have prophesied that under sufficient stress of business and industrial disaster even the silver heresy might again recover strength. This is very improbable ; the greater danger now is that under such stress, and controlled by other powerful influences, Congress might authorize a bank currency which might inflict all the evils of fiat money or depreciated silver on the suffering public. It is hoped that all conditions will continue favorable, that crops will be abundant, and that there may be no difficulty in the money market consequent on the absorption of funds by the foreign and domestic markets. It is, however, too soon to say that Congress, however adverse to financial legislation, may yet be moved by popular demand to some action at its next session which will remove some of the defects of the present monetary laws of the country.

THE DEPRESSION IN INDUSTRIAL STOCKS and to some extent in railway securities is the result of the overcapitalization which has been going on during the past two years. Promoters have taken advantage of the confidence of the public in the unprecedented prosperity of the country to put out, through syndicates and otherwise, stocks to an extent, it is stated, in many cases ten times what would really have been required by the actual necessities of the business. The same policy has been pursued in the case of many railroads. It cannot be expected that the earning capacity of the concerns so capitalized will pay dividends on all this watered capital. In so far as these securities have been purchased by the public with actual money, there must be great losses incurred. It is no wonder that this reckless overcapitalization arouses suspicion in the minds of foreign capitalists as to the solidity of the financial situation in the United States. They are at a distance, and these fireworks of finance blaze up conspicuously. Still, the general business of the country, the solid, every-day enterprise, has been little affected by the exploits of the promoters. Those who have put money into the speculative stocks could probably afford to lose it. But whether they could or not, the money so put in has not been lost; it has merely changed from one owner to another, and has probably been placed in more solid investments or in enterprises really remunerative.

The record of failures in ordinary business during the current year shows improvement over the year preceding rather than otherwise, and the probability is that only a small minority of the people of the country have been unfavorably affected. The industries of the United States go on as before, and productive power is not affected by this rage for speculation, which has now to a certain extent proved its own futility. The watered stocks will soon find their proper level, and those in whose hands they finally rest will have to pocket their losses and say no more about it. There has been no destruction of real wealth. Gambling operations never have any permanent effect on the productive resources. But this speculation on so immense a scale has been an object lesson which the American public will not soon forget. Although history repeats itself and crazes of speculation will doubtless again occur in the future as they have in the past, yet it is doubtful whether the investing public who have been bitten so severely will be so deceived again for many years to come. Moreover, it is almost too soon to determine the real value of a large part of these undigested securities. The business plants and opportunities for profit which these securities represent have not yet had a chance of demonstrating their earning power. Even the investor who now thinks himself the most unfortunate stands a chance of being favorably disappointed. Great as the amounts involved in many of these schemes seem to be, they bear a small proportion to the whole wealth of the country. If it were not so, the outlook would be gloomy. On the contrary business still manifests the greatest hope and confidence. Prices are maintained and consumption of products does not seem to have diminished.

With reasonable success in agriculture the country will enter the year of the presidential election on a better financial footing than ever before during the past decade.

BANKING METHODS appear to be keeping up with these hustling times. It is now the custom for some institutions to make a house-to-house canvass, soliciting accounts and offering conveniences in banking facilities. This seeking of business must be somewhat expensive, but that it pays in the end, if it does, proves that bankers' profits are not yet altogether discouraging. The day was when banking was an extremely mysterious and dignified business, surrounded by secrecy and reticence. The banker favored low, cobwebby banking rooms, with as little sign of business extant as was possible. A banking room was much like a wine-cellar—all its wealth down in the vaults. Each bank was also a mystery to every other similar institution, and such human nature as was not entirely dried out of the banker was expended in discreet though none the less malicious gossip about competitors. The banker used to awe by his personal austerity. Nowadays the banker is apt to be a whole-souled, fresh-looking fellow, just like any one else in fact, and the only mystery about him is how so generous and humane an appearing person can manage to say no when asked for a loan without collateral. In fact, there is now little difference, in appearance at least, between a philanthropist and a banker.

The banking-houses of to-day are magnificent palaces fitted with every convenience for the handling of the wealth that pours into their doors. The customer of to day can undergo very little personal hardship when he has money to count or coupons to cut off. The magnificence of the surroundings appeals to the spirit of reverence, just as did the artistic embellishments of Solomon's Temple to the true worshipper. And if the dollar is the deity now sincerely worshipped by all, and in whom no one as yet appears to have lost faith, why should not his temples be splendidly appointed ?

Some of the old spirit still survives among the older bankers. In every branch of human employment there are some old fogies. These older bankers are like the old doctors and lawyers. They feel that modern hustling methods injure their dignity and the dignity of the cult to which they belong. Advertisement was once considered bad enough, drumming for accounts was worse, and yet they had to accommodate themselves more or less to these methods. The advertising and drumming were still conducted with a certain dignity. Now this house-to-house drumming, just like the work of the weekly payment installment insurance companies, cannot fail to make the gorge of the old-school bankers rise. But the Savings banks have shown there is the basis of great things in small accounts. Little drops of water make the mighty ocean. Why should not the enterprising banker enlarge his coffers and fill them with these crumbs despised by the dignitaries of the profession? The comforting influence of success consoles the hustler for the supposed loss of his dignity, and this loss is further compensated by the thought that he is really serving a public which the other banks do not reach. DANIEL WEBSTER'S "There is always room at the top," seems in this case just as true when changed to read, "there is always room at the bottom." Below the lowest deep, there is still a lower. But after all, there is no reason for any banker to be disgruntled by this raking of the depths. It increases the use of banks by the people, and doubtless brings into and keeps in circulation large sums in the aggregate which would otherwise be locked up in secret hiding-places.

The ideal limit of banking will never be reached until every person who has an income keeps a bank account. There should be banks therefore for small accounts as well as for large. If such a limit were attained there would be little room left for middlemen, for the money-sharks who thrive between the great banks and the poor men whose accounts are too small for the existing banks. The banks with the large accounts would not suffer. They would, on the other hand, benefit greatly though indirectly. Every movement in banking toward a greater accommodation of the public increases the mobility and availability of the wealth of the country. Probably the progress of the world has been retarded by ideas of greatness and dignity indulged by bankers, leading them to refuse to bother with the man of small means or only deal with him through the sordid fingers of the middleman. The system of independent small banks in the United States, gathering up all the business, large or small, in their immediate localities, has almost abolished the individual money-lender in the country districts. In the cities he still exists because the city banks have been usually of too large a calibre to thoroughly exhaust the small accounts.

This house-to-house work in the cities will, if successfully carried out, sound his doom there. He will have to retire to some country where a monopoly in banking fosters only large and dignified institutions.

PREDICTING A FINANCIAL CRISIS is sometimes an easy way of gaining a reputation as a prophet, for with such events it is frequently the expected that happens. If only enough people could be made to believe that the signs of the times portend a financial crash, it would probably arrive at the time announced. But people are so busy and the evidences of prosperity are so numerous as to cause more or less indifference to these evil prophecies. Perhaps the expression of such pessimistic opinions has some good effect in checking the otherwise too buoyant disposition of traders and speculators, and induces that degree of caution necessary to sound and healthful business conditions. On the other hand, it is possible that these gloomy forebodings may go too far and unfavorably influence the legitimate business of the country. Intemperate speech is becoming altogether too common for the public security. For although such injudicious utterances are largely discounted by most people, they are liable to inflame the minds and excite the fears of the unthinking. Under the present conditions the public mind does not readily succumb to vague and unreasoning fear. But a slight change of circumstances might quickly create the atmosphere favorable to the spread of the germ or miasma that breeds commercial and financial disaster. A financial panic, like a prairie fire, is easily started, but extinguished with difficulty.

An instance of lack of careful statement is afforded by an address on "The Editor and the Banker," by JOHN A. SLEICHER, editor of "Leslie's Weekly," delivered before the National Editorial Association of the United States at its eighteenth annual convention at Omaha, July 9. In the course of his address Mr. SLEICHER said: "If conservative measures are not adopted soon, a financial crisis will arise that will lead in the near future to revolutionary legislation, and this should always be avoided as a public calamity. * * * Not in this generation have our finances been in a more critical condition."

This is certainly an exaggerated statement, and of a kind calculated to aggravate the ills it seeks to remedy. It is only fair to Mr. SLEICHER to say that his address did not abound in such alarmist expressions, but was on the whole an earnest and well-considered plea for financial legislation. But it might be expected that those engaged in a vocation having for its aim the moulding of public opinion would refrain altogether from utterances tending to excite needless alarm. Expressions not unlike those quoted above have also been heard at recent bankers' conventions, and with as little justification in fact. For there is nothing in the present financial situation to cause distrust nor to superinduce a greater degree of caution than the prudent banker will observe at all times. Moreover, while some financial reforms are desirable, it is exceedingly doubtful if any law that Congress would or could enact would greatly palliate or afford any permanent cure for those ills about which there is so much complaint. The camels, weasels and whales which the POLONIUSES of the press and others affect to see in the financial sky are in many cases merely the results of an attempt to follow those regarded as experts in monetary lore. Some of those considered experts are theorists and doctrinaires who must have a financial system made exactly to fit their views, regardless of the conditions under which it is to operate. They can not conceive of any variations in the laws which they see at work in the most highly-civilized States, and would therefore impose the same monetary system on the inhabitants of Terra del Fuego or the Fiji Islands as has been found to work well in France or Germany. They fail to realize that circumstances alter cases.

While it is believed that it would be better if the greenbacks were retired or gradually converted into gold certificates, and that the Sub-Treasury laws should be modified so as to permit greater freedom in the deposit of public funds in the banks, and that it would also be beneficial to devise some means of issuing bank notes other than on the basis at present required, none of these provisions nor all of them together if embodied into law would prevent financial crises, nor would a failure to pass them necessarily produce a catastrophe.

Except the silver, which is largely absorbed by the retail trade of the country, and which is practically a subsidiary form of currency, our financial system is not unlike that of England. Paper currency, here as there, can be issued only against gold and the public debt. Whatever defects such a system may have, it is hardly deficient in security, and the state of our finances can not be so critical as claimed while the paper currency is as safe and as adequate in volume as now.

The strong and weak points in our financial system are well known, as there has been no substantial change, except in the direction of improvement, for about forty years—unless the silver situation be considered; but the silver situation is slowly improving by reason of the increase in the gold currency and the natural growth of the country. Whatever weakness there may be in other respects bankers can not be ignorant of it, and from long experience they should be prepared to counteract its ill effects whenever and wherever they may be manifested. In the present high development of banking, it would be childish for the skilled financiers at the great centres to attribute a financial crisis, should one occur, to bad monetary laws.

Such apprehensions as exist are attributed to the expected demand for money to move the crops, but it would be a strong indictment of the capacity of American bankers if they failed to make adequate preparation for meeting demands which they knew far in advance would be made upon them at a certain time. It would indicate an equal lack of foresight if it should develop that the great banks have permanently locked up their funds in attempting to float unmarketable securities to an extent that renders it impossible for them to afford the required aid for the crop moving period.

The probable fact is that the banks will make all necessary provision to respond to the fall outflow of money, and if their own cash resources should prove inadequate to meet the demand it will be supplied, nevertheless, by the use of their credit in drawing gold from the world's markets.

The crops are the basis of the country's commercial prosperity, and the fact that the banks are to be called on this year to move an unusually large volume of products is rather a matter for rejoicing than for alarm. If there were no crops to move the prophets of ill-omen might be listened to with closer attention.

PUBLICITY OF THE CONDITION and general business of financial institutions is a comparatively modern development. Before the National Currency Act, as the National Banking Law was then styled, was passed in 1863, there was no systematic method of obtaining information as to the real status of the banks of the country. The State banking laws required reports to be made to certain State officials, at intervals varying in each State, and the provisions as to dates and the penalties for failure in accuracy of the reports were on an extremely vague basis.

The interests of the public are supposed to be guarded by the opportunity given by reports periodically published to know about the real condition of the banks. But unless reports are really accurate and representative of true conditions, they are worse than useless. Dishonest bankers use them as a cover under which they carry on their schemes.

The National Banking Law provided at first for quarterly reports of condition. It was found, however, that the day when the public were to be admitted to inspect the properties of the bank, being known in advance, every preparation was made for a dress parade. The show windows were put in order. These quarterly dressing-up days had a bad effect on business; customers were disappointed because they could not get loans, or because they were called upon to liquidate for no other reason than to enable the bank to make a good showing. The quarterly report once made, the bank feeling secure for three months to come, felt the trammels of the law fall off and paid little attention to reserve provisions until within a week or two of the next quarter day. There were thus artificial alternations of freedom and restriction in the money market very detrimental to business. Congress changed all this by requiring the banks to respond to the call of the Comptroller of the Currency for reports of condition on some day past, five times during the year at least. The only one who could know the days is the Comptroller of the Currency.

The statistics derived from the reports of the banks made in answer to these calls of the Comptroller are as accurate representations of banking business flowing in a normal manner as can be obtained. The only question that remains is to what extent, if any, does the knowledge on the part of the bank officers that at five unknown periods during each year the banks must show up their business proceedings affect the business community which depends on the National banks for facilities. In calling for five reports within the year as year succeeds year there comes a certain regularity, which enables the banks to guess very close to the actual date on which the report will be called for. There is undoubtedly some degree of precaution taken to make a good showing within a few days each way of what has come to be a reasonably regular date.

The general effect of publicity such as is required of the National banks is undoubtedly good, but there are ways in which it might be used as a cover for operations that might work injustice both to the stockholders and the customers of the bank. The reports made to the Comptroller are supposed to show up all that the bank possesses at its true value. The general public is on the alert to detect a bank that tries to make its condition better than it is. They seldom suspect that sometimes the reports of a bank do not in reality show all that it really possesses. It is the ambition of a bank to show what is called a clean balance-sheet; that is, all its entries representing items readily convertible into cash. Real estate and other slow items are often charged to profit and loss and surplus, when there is really no loss about it. It is the same with premiums paid. The object of this charging off is fair enough, and the intent is to charge back to cash when the slow items shall have been liquidated. In reality, in the case of many old banks, there are valuable properties which do not appear in the balance-sheet at all. It is thus that the laudable desire to show a clean balance-sheet vitiates to some extent the law that the reports shall be a perfect showing of the condition of the banks.

When once a secret hoard outside of the balance-sheet is established, it is hard to break the directors of the habit. It is so pleasant to nod mysteriously and intimate that the true richness of the bank is not dreamed of by the public. The unknown, moreover, generally passes for the magnificent, and the secret hoards of the bank may enlarge its credit.

It may be said that no harm can come of a fault which, if it is a fault, is on the right side of the account. But it is this private knowledge of resources hidden from the general run of stockholders that gives the opportunity of purchasing shares below their real value, often changing the control of the bank and bringing in a different character of management. Temptation is also thus spread before dishonest officers. It is not believed that the advantages of what is called a clean balance-sheet are a compensation for the evils that may evolve from a balance-sheet which does not represent the true value of the bank's stock.

The publication of reports of financial and industrial institutions is a benefit when such reports show the truth. Unless due precautions are legally taken to enforce true reports, publication is really a delusion and a snare, being as easily used to mislead and defraud as it is to protect. When the public has once learned to rely on reports as they have upon those of the National banks made to the Comptroller, it is of the greatest importance that this confidence should not be betrayed.

THE WORKING CAPITAL OF THE INDUSTRIAL TRUSTS seems to have been put to a severe test during the present summer. Many of them are said to be somewhat straitened for means to carry on their operations. It has been found that these concerns, made up as they are by the combination of a number of corporations formerly doing the same business on an independent basis, have not a borrowing ability equal to that possessed in the aggregate by the separate corporations.

An advantage of the trusts was said to be greater economy of management and production, and from this it would naturally follow that their results would be accomplished with less working capital than was required in the aggregate had the corporations of which they are composed been working each by itself. This certainly was an advantage. But it is evident that a number of distinct corporations each with its own supporting banks would be likely to have altogether a greater borrowing power than one single great trust, with only one system of supporting banks. As far as miscalculation of the working capital is concerned, this might easily have been made in the case of such comparatively new organizations. It might easily require some years to know exactly what the demands of business on new lines would amount to.

The great demand for money during the present season has drawn heavily on the resources of the banks, and when the large loans which a great trust requires are demanded of a lessening circle of banks, even those of the greatest resources feel that they are falling into the bad banking habit of placing all their eggs in one basket by complying too readily.

It has been remarked before that in this era of combinations and consolidations the banks have been left behind. Notwithstanding the mergers and consolidations of banks which have already taken place, this dilemma of the industrial trusts would appear to indicate that there are still too few banks of sufficient resources to furnish the banking facilities these institutions require.

BORROWING ABROAD has been resorted to frequently in the past few years to supply the inadequacy in the supply of the home currency. The credit of the great international bankers enables them to obtain supplies from abroad which, if they do not bring gold here, at least reduce the amounts which would otherwise be exported. As our paper currency has now no efficient element of elasticity the increase and decrease of the general mass of money is dependent almost entirely on the gain or loss of gold. Therefore the credit of our great banks and bankers abroad is of the utmost importance.

It can hadly be disputed, with the tendency to over speculation induced by the confidence in the prosperity of the country, that the strain on the money supply is now very great, and that any great export of gold might have the tendency to lower the present confidence and cause the locking up of money and the tightening of the money markets. The rates for money abroad in London, Berlin and Paris become, therefore, of much more importance than they were in former years, inasmuch as they are influenced, and also have a much greater influence on financial operations in this country than they had formerly. The reduction of the bank rate in London and the raising of it by the Imperial Bank of Germany attracted much attention in the latter part of June. The lowering of the Bank of England rate was explained by the gradual cheapening of the open market rate there. One theory of the raising of the rate by the German bank at the same time was that it was done as a sort of protection from American borrowers, who are supposed to already owe considerable to Germany, and indirectly to prevent an outflow of gold to this country.

Despite all the doubts which have been expressed as to the condition of American credit abroad, if the theory mentioned has any real foundation, the action of the German bank would indicate that bankers in that country are all too willing to lend here, perhaps to the detriment to German business interests. These foreign rates, moreover, indicate the operations of the cosmopolitan bankers and throw a light on the varying shades of opinion as to the credit of our bankers abroad, which has become of so much importance as was mentioned above because of its importance in maintaining the elasticity of our currency. Paris is the great recipient of such gold as has been exported from here, and this would seem to indicate that the French bankers were those who were the least optimistic as to the situation in the United States. France has, perhaps, the largest capital of any European nation in proportion to her own legitimate business enterprise, and for this reason is the chief money-lender. The return of the gold to France is also held to mean that loans to the German and English money markets were being called in or repaid.

It is somewhat startling to arrive at the conclusion that at the present time our money market is dependent not only on the condition of our own banks and the Treasury of the United States, but also on the condition of foreign money markets. The successful movement of the crops this fall and the prosperity of the general business of that period depend on the ability to add to the supplies of money by foreign borrowings. Banking has become so cosmopolitan that the reliance on the ability to obtain capital from all quarters when needed is well founded as long as the enterprise and industry of the people of the United States are successfully exerted. It remains, however, that should other conditions arise the difficulty of borrowing money when needed would be increased, and in that event the imperfection of our currency system might be severely felt.

THE PROGRESS OF BANKING REFORM IN THE year 1903 has been slow. Two points have, however, been gained obvious to every one. The National banks can now issue currency to the par value of the United States bonds deposited, and there is a freer use of the banks as depositories of public money. But, although not so obvious, other gains than these have been made. The question of improving our methods of banking so as to render them more useful to the business of the country has been looked at from many points of view. At first the plan-makers had it all their own way, and their favorite scheme was an asset currency. These plans, though they had the sanction of great brains and great names, have been slowly disintegrating under the force of the intelligent criticism of practical men. They have served their purpose in arousing discussion which has not only demonstrated the utter unfitness of the plans, but has also to some extent thrown light on what the real plan should perhaps be. The reports and bills of the Monetary Commission and the so-called

Fowler bill, with its accompanying explanations, are monuments of the indefatigable industry and sheer force of intellect of the originators. But they were crude and rough in their construction, and the bright light of criticism has shown that they are about as well adapted to the purpose in view as the Druids' Temple at Stonehenge would be adapted to the purposes of Madison Square Garden. Neither of the plans referred to, nor other plans of like character, appears to bear, either in the bills proposed or in the reports and explanations accompanying those bills, any internal evidence that the authors ever clearly understood the problem which they attacked. Nowhere do they seem to elucidate the real principles of banking, or the resemblances and differences between banking as carried on in the United States and as conducted in other countries. No doubt they have ransacked banking history, and have studied contemporary banking, but they do not appear to have really sensed the true application of the information they have acquired. The principle that banking is the great factor of modern times in the transfer and distribution of wealth, while it may have been recognized, has not been properly applied. The transfer of accounts, and the means by which it is or may be done, has nowhere been completely elucidated. The study of the methods prevailing in the United States and the distinctions between these methods and those of foreign bankers have been far from exhaustive. The different classes of banks and financial institutions doing a banking business, their competitions, rivalries and prejudices, both in politics and business, have not been worked out. These plans were calculated to aggravate rather than to heal the sore spots in the existing banking system.

Notwithstanding the obvious failure of the Congressional and other experts to meet the necessary requirements, they have, by affording the critical minds of the public a mark for the exercise of their wits, served a very useful purpose. Nor is this failure any disgrace. The problem was too great a one to be attacked successfully offhand. Constructive minds are rare, while those competent to point out faults and that take an exquisite pleasure in so doing are abundant. Whether the plan-makers possessed the constructive faculty in any great degree may be in doubt, but they had it in sufficiency to afford an object of criticism, and all propositions for banking improvement have so far been criticized to a standstill.

It is now to be hoped that out of all this bank currency agitation the business public will begin to see just what is wanted. The American Bankers' Association has appointed a committee to try to formulate some plan for banking improvement. These failures of the past ought to teach them at least to avoid the errors of those who have gone before them, and study deeper into the real principles involved.

BANK CHECKS AS AN ELASTIC CURRENCY.

The associated banks of New York have apparently adhered rigidly to the adopted rates charged by them for the collection of so-called country checks. It is said, however, that some of the trust companies and, perhaps, some of the banks outside of the clearing-house, are collecting these checks without charge.

It is asserted, and probably with truth from one point of view at least, that the free collection of these checks entails a loss to the banks. The point of view referred to is the narrow one of the observer who looks merely at the check itself considered as an asset, and who eliminates the possible advantage to the bank which the free accommodation of customers in this respect may bring in the way of new accounts and greater deposits. Advertising is a loss viewed in this way, and perhaps it is this tendency to narrowness of view that prevents many conservative bankers from advertising.

The New York associated banks are the strongest in the country and are in the most favorable position to enforce their regulations, wise or unwise. That their situation is of peculiar strength is indicated by the fact that there has as yet been no apparent breach of the rules for check collection charges on the part of clearing-house members. In other cities the banks in the clearing-houses have found it difficult or impossible to enforce similar charges. The exception in New York city, and perhaps a few other cities, only proves the rule that the banks of the country find it better business to collect country checks without charge than otherwise.

Employment of the check has indisputably increased the deposit lines of all the banks. This increase of the deposit lines means that forms of wealth which were formerly immobile and temporarily impossible of liquidation, are now made the basis of bank credits, and thus the whole business of the country is quickened and extended. The profits the banks derive from imparting circulation to the more immobile forms of wealth exceed a millionfold the petty expense of aiding a free collection of checks. In fact, a bank might as well complain of the expense of printing a bank note, as preventing its use, as to complain of the expense of collecting country checks, which is returned to the bank in the great increase of the deposit line. Of course, if a bank or a number of banks are so fortunately situated that they have forced upon them all the business they can handle, then it is not surprising that they seek to eliminate the less desirable business that is offered to them. But the great banks of New York city depend for their resources and power upon the banks of the whole country. They are looked up to by the latter as leaders and advisers. If the use of checks and the efforts of the banks to make this use as convenient as possible for their customers has increased deposit lines throughout the country, then it is easy to see that the New York banks owe much to the circulation of the despised and abused country checks.

An eminent authority has adverted in a pleasant way to the skinflintedness of the country bankers as one of the rocks on which the prosperity of the country is founded. But in making a tariff of charges for the collection of country checks the great bankers of New York have shown that they exercise the art of disrobing petrifactions with less wisdom than that ascribed to their country cousins.

It is surprising that the banks have so long failed to perceive the great and indispensable service which has been rendered by the check, and more especially the country check. With Thackeray, they should recognize the advisability of cherishing a rich uncle.

In the last number of the MAGAZINE some suggestions were made as to the possible superiority of the check as a method of transferring bank credits to bank notes. On June 30 the London "Times," commenting on the remark of the Comptroller of the Currency at the Georgia Bankers' convention that "bank notes are the best possible form of currency for the business of a community, if made properly elastic and responsive to demand," says that "this is true enough, if the special position of the United States is above consideration, but as a general proposition it is far from true. The use of bank notes is at best a clumsy way of doing business compared with the system of checks existing in England." The remark of the "Times" about the special position of the United States being above consideration is a little blind. Presumably the London "Times" thinks that banking and business in this country are still in an inchoate and barbaric state, not up to using the more modern system of checks, and therefore still condemned to the clumsy and inefficient bank note. The truth is that banking in the United States is better adapted to the use of the check than to the use of the bank note. The exact method of using checks in England, which the "Times" characterizes as superior to the clumsy bank note, might not be adaptable here. The banks of the United States have already adopted and used the check to a greater extent than any country in the world. They were forced to do this by the laws which restricted the use of other methods of transferring bank accounts.

Two things prevent a wider development of the check; one is the laws forbidding checks to be circulated as money in regular denominations, either by State or National banks. This cuts off the banks from the use of forms of checks used to-day in England. The other obstacle is the blind hostility of many of the banks to the country check, because it causes a little expense in the collection. It may confidently be predicted that were an asset currency issued with any degree of freedom by the banks of the United States, the banks would be put to a much larger expense in securing the redemption of many of the notes. It is believed that the expenses of the redemption of a free asset currency, that is if rapid redemption was insisted on, would far exceed the expense now incurred in the collection of country checks.

INJURIOUS SPECULATIONS.

The history of corners in cotton, in grain, and in other objects of speculation, has teemed with instances of disaster to the manipulator of this oppressive device, but the speculator, as a rule, will never be convinced, any more than the gambler, but that he, notwithstanding the ill success of previous gamblers, has discovered the only true and effective martingale with which to break the bank and attain unlimited wealth and glory.

There is little use in pointing out that these cornering operations, carried out to the logical conclusion, do harm not only to the operator but to the whole producing community. The doctrine of limits, which is the bane of the gambler's martingale, applies with even more force to the operations of the man who attempts to raise the price of any given product of necessity to the manufacturing and industrial world, or for the supply of food to the masses of the people. No one product is of so vital importance that its price can be forced beyond a certain point. The ordinary consumer will not use a product that is forced beyond a certain price. Substitutes will be used, and with the discovery and introduction of substitutes, the price of the cornered product falls back below what it would have been were it not for the artificial force which has been applied to raise the price. Substitutes may be the same or different in kind. With the cotton corner, if the price of the staple raised in the United States is forced beyond the limit, the consumers look to other countries and encourage production there. Or they may use more largely of other fibrous staples.

It may be said that the reason why this favorite operation of the ambitious operator so often proves disastrous is because of his lack of moderation. He should know the limit which is sure to defeat him and not approach it too nearly. There might be something in this were the cornering of any staple article as easy a matter as buying up, say, for instance, all the eggs on hand in a country store. But a corner of a great staple is not managed so readily. As the buyer advances his operations prices increase on him progressively, and to profit on his latest purchases he must still continue to raise the price. He is in a position where hesitation is fatal, and where to go on is almost sure destruction. The sale to realize profits is the more difficult as the price is forced to the higher limits. But no man of moderation would ever undertake to corner a great staple. It is the very opposite of this quality that constitutes the stock in trade of the great speculator. There are no doubt some men who are mostly guided by a moderate spirit who are occasionally seized with the desire to outstrip the efforts of their competitors. They are like those gamblers who play for their own amusement and excitement regardless whether they win or lose, or rather thinking they can afford to lose a certain amount for the mere pleasure of the thing. To them to win is the greatest pleasure, to lose the next greatest. But even such men are often led by the excitement of the game into excesses they never intended at the commencement. The moral effect of success or failure on the community is equally bad. Even in the failure of a great corner there is danger to those who possess the speculative spirit. They reason that it would have been successful had such and such contingencies been foreseen and provided for, and think that they now surely see the straight and perfect road to success.

The value of exchanges and the accompanying appliances for obtaining the widest information as to the supplies of the great staples are generally admitted. It is not the conveniences for trading or the information that is collected that is at fault. These aid the trader, the producer and the consumer to form a fair estimate of what markets there are and what prices should be. Speculation of the more reckless type thrives on the imperfection of information and other trading appliances. It is the guesses as to the weather, as to the future supply and demand, which can never be anywhere near accurate, together with the burning desire to get rich quick, that encourage these injurious speculative operations. The cotton grower may delight to hear that the price of his staple is rising, but he owes nothing to the man who makes the corner. The latter does not think of the producer. In fact, he is very careful to avoid building his corner walls when the new crops which interest the producer are ready to market. The time usually selected is when the new crop is still growing, and the old supply supposed to be diminished. By thus forcing the price of the present supply the speculator keeps it back from normal consumption, and when the new crop begins to arrive, it finds the storehouses still blocked with the old. Every farmer is better pleased to find his barns empty when the new crop comes in. But the injury done by corners is more permanent. Often the markets relied on are lost in whole or in part, and periods of severe depression in price are apt to follow these temporary spasms of abnormal quotations.

From the earliest periods the evils of speculation in the great staples of food and clothing have been felt and regretted. Under the form of monopoly fostered by despotic governments they were the cause of great misery and often revolution. The freedom of modern forms of government has not exempted populations from evils of the same nature. The ancient Pharaoh could make a corner in grain, without any immediate serious consequence to himself or his dynasty. The modern Pharaoh often brings about his own doom. What happens to the speculator, ancient or modern, matters little. The consequences to the country at large of such operations is the important point. If our markets are to be destroyed and our future products depressed in price by reckless operations of selfish speculators, bringing periods of depression of business and more or less suffering to the whole people, it were high time that some restriction should be placed by law upon the use of modern financial facilities for forcing abnormal prices. It may be difficult to draw the line between legitimate trade and speculation, and speculation of this ruinous sort, but it is believed that something might be done to check these more violent manifestations of the speculative spirit.

THE SUPPLY OF MONEY.—For more than fifty years I have been a careful observer of the course of trade and the general range of prices in the United States, and of the causes which have affected the market value of our agricultural and manufacturing productions I have known prices to be advanced by foreign demand, or by temporary deficiency of supply, but more frequently by speculation, induced and fostered by redundant currency. I have known prices to decline by the reaction of speculation, and by diminution of the home or foreign demands; but I have never known our farm products or manufactured goods to fail to bring what they were worth, at home or abroad, by reason of insufficient supply of money or its representatives.—Hugh McCulloch, "Men and Measures of Half a Century."

GOLD-RESERVE BANK NOTES.

The Comptroller of the Currency has apparently been overcome by the objections to an asset bank-note currency, for he has lately, before the Georgia bankers, advocated issuing bank notes on the security of a gold reserve, in analogy to the deposit currency. He argued that there is little or no difference between the deposit currency and a bank-note currency.

Viewed from the standpoint of the banker, there is no difference whether he issues bank notes or floats a currency made up of checks on deposit. The profits arise on the loans made in each case, not on the form of paper that circulates.

The reserve which the banking experience of the world has indicated, and the law in more countries than the United States has dictated, for the great deposit or check currency, is about four to one ; four dollars of deposits to one of reserve being very generally allowed and maintained over the deposit banking area. In England the deposits bear a much larger ratio to the reserve, but conditions there favor a wider ratio ; and the ratio maintained is probably too wide for safety.

Under this system, the banker makes loans about equal to his deposits. In other words, under the deposit system, the banker secures profits on at least four times the amount of the reserves he keeps.

But just as wide an experience has dictated that the reserve for a bank-note currency shall be entirely different. Not even the weakest note-issuing bank in Europe, with all the patronage and power of a government behind it, ventures to issue notes to anything like four times the amount of its specie reserve. The Bank of France voluntarily keeps specie to an amount approximating the whole amount of its issues (£143,900,000 in coin to £172,-300,000 in circulation, eighty-three per cent.). And the other Government banks of issue evidently strive to do the same. The Bank of Belgium adopts the expedient of keeping foreign gold exchange in a certain proportion to supplement its specie. The uncovered note issues, good, bad and indifferent, in Europe, are not equal to half of the whole of the issues.

The Bank of England under the celebrated Peel Act practically adopts the "currency principle" of one of gold to one of notes. Notes are allowed against about £18,000,000 Government securities included in the capital of the bank, but all further issues are simply notes for gold deposited ; the result being that Bank of England notes are covered in about the same proportion as the notes of the Bank of France.

When the Germans established their Imperial Bank thirty years ago in an age of financial enlightenment, and after the experience which had definitely formed the banking system, they copied the Peel Act and established practically a second Bank of England.

A banking development, which is about as conclusive as that which has established the gold standard, has dictated that bank notes shall practically be covered by their gold security. If this principle is followed by the privileged and pampered government banks of Europe, much more must it be respected by the comparatively small independent, unassisted banks in this country.

It may be said in passing that the experience which has established the currency principle for bank notes is largely that of the United States and England. Whenever banking in England was free, bank-note issues were abused. Panic after panic was caused by over-issues of notes in conservative England until the Peel Act was made necessary. In the American colonies of England and among the States, abuse of bank-note issues, in all forms, was continual and almost universal from the earliest times of the infant colonies until 1865. It is a dark and disgraceful history. The memories of our fathers are clouded with the enormities of the wildcat currency of the early nineteenth century, which followed the continental currency of unsavory reputation, and hundreds of earlier issues of unspeakable character.

One thing the makers of our National banks did well, or as well as they could. They provided that the National bank notes should at least be more than covered by the best securities patriotism could devise in the deadly struggle of the Civil War. They could only be issued to ninety per cent. of deposited National bonds. And even now we have been reluctant to allow the issue of notes to an amount equal to the underlying bonds now become the best paper in the world, valued at a substantial premium over gold. The goodness of the security has made the National bank notes successful, though the principle of their issue is wrong. But in the face of the redemption of the bonds bank notes must eventually be placed upon a different footing.

It may be laid down flatly that the currency principle of notes for gold, equally, with no uncovered issues, is the total and final result of the financial evolution of the world respecting bank notes for circulation.

There is logical reason for this currency principle. Bank notes are intended to be used as money. If they are not used for money without hesitation and without question, they do not accomplish their purpose. If they are practically money, as good as gold, they must be representative of gold, which has become the universal and exclusive money. If bank notes could be provided as money as good as gold and more cheaply, why should gold be used? But gold, and not bank notes, has become money, and the notes cannot usurp the place won by gold. There is no juggle by which we can have gold for money and save three-fourths or even one-fourth of its cost, with safety. If we can economize on gold as money why not follow Mr. Bryan? Sixteen to one would provide us a money that would have nearly half the intrinsic value of gold. Our sound currency friends seem to be trying to find a method of making money not so much better than Mr. Bryan's.

But let us see further about the likeness between a deposit currency and a bank-note currency. The deposit currency of the English-speaking communities grows out of dealings in bills of exchange. Such bills now everywhere constitute a large and typical part of the deposit currency. A bill of exchange is drawn on an actual consignment of goods with which the bill is intimately connected, even if it cannot be said the goods are security for the bill. Bills are founded upon and supported by the goods concerned. The bill circulation is then secured by full value in goods, the ability of the indorsers and of the banks handling the bills.

An accommodation bill substitutes the general security of a business name for the security of the goods. Promissory notes are likewise based on more general security than bills, but they, as well as all forms of credit currency, are based each one on a security peculiar to each transaction. Such instruments are doubly fortified at every point. Every scrap of such currency is based on specially investigated property or security. Moreover the instruments composing the deposit currency are all of definite and short duration. They are constantly being paid off and renewed. In other words, the deposit currency is constantly, from its very nature, being redeemed.

With bank notes the case is entirely different. They are put out on the general credit of the bank. They pass, if at all, without investigation in any of the transactions in which they are used. They are not redeemed by the issuing bank as long as it can be avoided. They stay out indefinitely in good times when they could be redeemed and come back all together when times are troubled and they cannot be redeemed. Compulsory redemption discredits them. There is no tried method of automatic redemption of bank notes applicable to the conditions in the United States. The Suffolk Bank scheme in New England wore itself out, was of no profit to the Suffolk Bank, and could not be operated in the larger sphere of the whole country.

It is reported that the Comptroller, before the Georgia bankers, did not frankly advocate the issue of bank notes at the ratio of 4 to 1, in real analogy to the deposit currency; but that he said he would leave only twenty-five or fifty per cent. of the new bank notes uncovered. This proposition follows more nearly the practice of the minor government banks of Europe. But there is no reason for following their example. And the modification of the proposal simply indicates a confusion of mind and implies a confession that there is no historical precedent for the Comptroller's proposition.

On this point we may remind the reader that we have seen that even with a note issue of 4 to 1 of reserve, there would be no more profit than on a regular deposit currency. What banker will impound gold for the sake of issuing notes at a paltry increase of a quarter to a half when he can use his gold as the foundation of a deposit currency at least three times greater than his reserve?

To further discredit the proposal, it is provided that each bank shall pay five per cent. of its uncovered notes into a safety fund which fund shall be maintained by a tax on such circulation.

It is enough to say that banks in the United States will not generally do business except for the greatest profit, and will not put out any taxed issues. In fact they do not now find profit in issues founded upon bonds themselves bearing interest to be added to the profits of the notes issued. American bankers could not follow the example of the Imperial Bank of Germany in issuing notes subject to tax. The situation is different. The Imperial Bank has a monopoly of note issues and in fact is obliged by the conditions to make issues as a part of the Government scheme of currency.

To cap the climax the Comptroller hints at a compulsory redemption of these new notes by making every bank, receiving the notes of other banks, send them for redemption.

Again we say there would be no profits to pay the banks for the expense and trouble of this continual consignment of notes for redemption. Any method which should involve the forced consignment by every bank in the

United States of the issues of every other bank in the country, as soon as received by it, is wildly impracticable. It would keep the notes on the road to redemption rather than in circulation. In fact it would be a circulation of dead matter rather than of life-blood of commerce. Such stuff would clog up the circulation of the country and be the reverse of elastic.

Furthermore there are quite enough different kinds of money circulating in this country. It has been quite hard enough to get our people to believe the different currencies we use are really of uniform value. The issue of bank notes under restrictions as to redemption and subject to taxation would immediately put them under suspicion. They would not serve to give elasticity but would deaden the currents of circulation.

Of course, all that has been said against gold-reserve bank notes applies with greater vigor to any form of "asset currency." Gold as a reserve for bank notes is certainly better than general assets, and in that particular the Comptroller has improved on the scheme of other "sound currency" men. The proposition of the Comptroller furnishes a point from which to get a good view of the fallacies of the new soft money advocates. As to bank notes issued upon general assets it may be remarked that there is more experience recorded against any such scheme than against any financial heresy except bimetallism.

The technical and official details of the management of such a circulation as the Comptroller advocates would be very troublesome. Judged by the delays and red tape connected with the simple issue of the present National bank notes, most emergencies would be past before the notes necessary to relieve the situation could be gotten to the thousands of banks of the country. With constant redemptions and reissues it would be beyond ordinary official competence to prevent excessive issues and to insure that taxes were paid on the real amount of the circulation.

Bank notes are a kind of financial fetish. They have never been used to any really great extent that was profitable, except in the course of unsound and dishonest schemes which have soon run their course and ruined everybody concerned in them at their dissolution. The bank-note system in Europe is rapidly giving way to the deposit system as far as the real banking interest is concerned.

In a more general way, in the writer's book on "Money and Credit," p. 187, it is said:

> "As to bank notes we have concluded that the banks have no interest in their continued issue. The issue of notes with modern safeguards has little of the elements of credit, none of the possibilities of profit afforded by all creations of credit, and has no part in the desired business of the progressive dealer in credit. He prefers to keep his gold as reserved capital for the issue of deposit currency, where it will give him four times as much banking power."

In this connection it may be said that the elasticity, to obtain which these schemes are devised, does not, and cannot, inhere in money of complete functions. Money has been developed as a medium of exchange, which is, at the same time, a denominator of prices and a storehouse of value and standard of deferred payments. It is plain that elasticity is logically impossible to all these qualities, except that of medium of exchange. Any instrument, therefore, which should perforce perform complete monetary functions should not be made elastic, even if it were possible. Bank notes, if successful, must be complete money, used in retail trade and as a direct substitute for gold, the price denominator.

But the deposit currency composed of checks, bills, notes and other credit instruments, is only used as a medium of exchange ; and it is only through it that elasticity can rightly be obtained. In fact the deposit currency is a perfectly elastic circulation. This currency is under the control of the banks, and can be made to fit the emergencies of all times. It is the duty and function of bankers to control the currency in the matter of elasticity. It is not a government function.

While elasticity is practically automatic in the deposit circulation, it cannot be imparted as a quality to any other form of currency to operate independently of a controlling intelligence. Indeed, that quality in the deposit currency, for its perfect work, needs the aid of constant intelligent financial control. The bank notes of the government banks of Europe are not automatic in operation. If the banks in the United States will use control equal to that used by the European banks in connection with their note circulation, our deposit circulation will answer all purposes of elasticity.

If the farmers want money for their crops rather than checks, it is a matter to be attended to by the bankers. The farmers want a regular form of money. Any special money provided for them would be looked upon with just suspicion. They will learn the use of checks as easy as they can be persuaded to use any new and unusual kind of currency. Farmers are using checks more and more, and the question of moving the crops is solving itself and attaining the right solution.

Stringency in crop-moving time is, no doubt, largely caused by the speculation that flourishes at that period. Materials for speculation are then coming into sight. Speculative farmers and country speculators, no mean factors in the financial markets, are then receiving the means of speculation.

One reason why the currency is not more elastic through the deposit system, is that speculation tends to push the capacity of the currency to the limit at all times and under all circumstances. When times are good speculation flourishes. When times are dull and discount rates are low speculation is encouraged by the easy loans upon which to carry its stocks or other material of speculation. But the banks can and must control speculation when necessary.

Finally, it is now an inopportune time to push currency schemes. The height of our period of prosperity has passed. Depression, in the natural order of things, must soon come. Many things point to a speedy turn in the tide. Too much permanent improvement, undigested securities, unduly high wages, unwholesome speculation in staples like cotton, wheat and corn, will bring on a period in which the banking interest will be fully occupied in the necessary contraction of credit, which will release plenty of money for all legitimate business.

No scheme has yet been devised for the automatic control of crises in industry. It is another problem for bankers. The banking interest has for many years been particularly successful in guarding against all sorts of crises and panics, whether in money, stocks or in general industry. It does not want any extra loads in the nature of wildcat bank notes when its next time of trial comes.

The sooner we come right down to the fact that the banking interest must exercise vigilant and intelligent supervision of such matters as the elasticity of the currency as well as the management of the credit system, the better it will be for everybody. The bankers, as the builders and owners of the credit structure, are alone capable of making it secure. In the management of credit is involved the elasticity of the currency as a minor incident. The whole thing, elasticity, crises, and all, is a matter for the banking interest. The Government and monetary enactments have no power in the matter, except for mischief. WILBUR ALDRICH.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

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

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

FRAUD PRACTICED BY BANK CASHIER IN BORROWING MONEY FOR USE OF BANK—WHEN BANK LIABLE.

United States Circuit Court, District of Vermont, March 17, 1903.

HALLETT vs. FISH.

The Cashier of a bank borrowed money for his bank from a woman to whom he was engaged to be married, stating to her that the bank was in trouble, but not disclosing to her the true situation, which was that the capital was gone, and that the condition was caused by a defalcation.

Held, that whatever advantage the Cashier took of his relations to the lender was imputable to the bank, and that it was chargeable with his fraud.

WHEELER, *D. J.:* D. Henry Lewis was a director and the Cashier of this bank. which, partly through his mismanagement, had become insolvent and embarrassed, and this condition became known to the other officers, and an examination was being had April 9, 1901. The shortage was then supposed by them to be about $35,000. The plaintiff was engaged to marry Lewis, was temporarily at Vergennes, and had stocks and bonds in a Savings bank at Concord, N. H. The shortage was principally at the National Bank of Redemption at Boston. A director provided $10,000. Lewis applied to the plaintiff for $25,000. She hesitated, but soon consented to furnish securities for that amount, to be pledged at the Bank of Redemption. She got them from the Savings bank, took them to Boston, and let Lewis take them to the Bank of Redemption, where a note of Lewis to that bank for $25,000 was prepared, with a consent by her that he might pledge her securities for payment of the note, which she went and signed on April 11, and the amount of the note was credited to the Farmers' Bank. The shortage of the Farmers' Bank was found to be, by greater misapplications of Lewis than were supposed, and those of others, much larger than was expected, showing it to be hopelessly insolvent; and it was closed by the Comptroller of the Currency and put into liquidation on the 13th. The plaintiff paid the note of Lewis to the Bank of Redemption to save her securities, and has brought this suit to have the amount so paid decreed to her out of the assets. The defense is that the plaintiff dealt with Lewis solely, and has no just claim, or none but that of a common creditor, against the assets of the bank.

The plaintiff's securities have swelled the assets of the bank to the extent of $25,000, without any advantage to her or loss to the bank; still, if she aided Lewis solely, and he the bank, she must look to him for her property, d the bank was held only to him, however disastrous that may be to her interests. This makes it necessary to see carefully how and on what inducements she parted with her securities. No one saw her about making the arrangement but Lewis, and no one else about carrying it out, but the Cashier of the Bank of Redemption; and what it was is to be ascertained from their testimony, and the circumstances shown by the testimony of others. Her testimony is consistent throughout, and does not differ materially from Lewis' as to the facts. That he has stated differently and that the securities were furnished to him, and by him to the bank, does not prove that the facts were as he is shown to have stated, but only affects the weight of his testimony in comparison between theirs as to the facts, and the evidence, if any, the other way. Their testimony is that he told her the bank was in trouble and must have immediate help, and there is no testimony that he told her that he was in distress and needed help, or that he was interested in procuring help, otherwise than through the bank. His testimony, although impeached by these contrary statements, for what value is left to it, corroborates hers, and there is nothing but the form of the papers taken by the Bank of Redemption to qualify hers. The paper required of her by that Cashier was this:

BOSTON, April 11, 1901.

"E. A. Presbrey, Esq., Cashier National Bank of Redemption, Boston, Mass.—Dear Sir: Whereas, D. H. Lewis, of Vergennes, Vermont, has given me stocks and securities satisfactory to me in exchange for the following-described stocks and bonds, to wit [Here follows an enumeration of the securities].

I hereby authorize the said Lewis to pledge all of the above-named securities as collateral to his note given this day to the National Bank of Redemption for the sum of $25,000, dated April 11, 1901, payable on demand after thirty days' notice.

FRANCES PEARSON HALLETT."

The plan for using her securities was made, Lewis' note was executed, and this was prepared for her to sign after Lewis had taken her securities to the Bank of Redemption, and before she came; and, while it shows that she was dealing with Lewis, it does not show but that she was dealing with the Farmers' Bank through him, and authorizing the pledge of her securities for the benefit of that bank by him. The Cashier testifies that Lewis' note was of no importance in the transaction, and that it was discounted for the purpose only of having the proceeds go to the credit of the Farmers' Bank. This all shows that the loan of the securities was made to Lewis as Cashier (which was the office she understood he held) of the Farmers' Bank, and that it was induced by regard for Lewis, because help to the bank in its trouble would, as understood by her, be a favor to him. And she was not informed of the true situation of the bank, nor of its condition as the officers understood it, and she could not act on an equality with them. She was told that the bank was in trouble and needed money or securities immediately, but this did not mean to her what it would to experienced bankmen or trained financiers. She was not told that the capital was gone, and more, nor that the disaster was the result of defalcation and crime, which might reach much further. And she was peculiarly exposed to deception by her engagement to Lewis. But for that, she would not have been applied to for the loan, nor have complied.

In Gilmore vs. Burch, 7 Or. 374, the Court says:

"The influence of a man over a woman to whom he is engaged to be married is presumed to be so great that in transactions between them the court will look with great vigilance at the circumstances and situation of the parties, and will not only consider the influence which the intended husband, either by soothing or violence, may have used, but require satisfactory evidence that it has not been used."

And Kerr on Injunctions, at page 47, says:

"The principle applies equally to the case of third persons who make themselves parties to transactions between persons filling a fiduciary position, and those towards whom they stand in such relation, or who take securities with notice that they have been obtained by a person filling a position of a fiduciary character, from a person towards whom he stood in such relation."

These are not new doctrines or principles in respect to dealings between those standing in confidential or overpowering relations to one another. They are as old as jurisprudence, as universal as equity, and as salutary now as ever.

Whatever advantage Lewis took of his relation to the plaintiff, the bank assumed in adopting his transaction. If the bank had used its assets to secure important creditors, or taken the money of depositors at the time and under the circumstances of taking the plaintiff's securities, without disclosing more than was made known to her, the assets taken out would have to be returned, to make all equal, and the deposits would not be drawn into the general wreck. It could no more bring assets of others, without full and fair disclosure, into, than it could save others already in from, the impending disaster, to shift the burden of losses. (Roberts vs. Hill [C. C.] 24 Fed. Rep. 571; Wasson vs. Hawkins [C. C.] 59 Fed. Rep. 233; 3 Am. and Eng. Encycl. of Law, "Banks and Banking" V [2d Ed.], 847.)

There was no inducement of others to act differently from what they would by what she did. It is a question of making her stand losses of others, already fixed, for nothing. It does not seem lawful or just that she should.

Decree for plaintiff for $25,000 of the assets.

RIVAL CLAIMS TO DEPOSIT—ACTION REQUIRED OF BANK.

Court of Appeals at Kansas City, Missouri, May 25, 1903.

ARNOLD vs. SEDALIA NATIONAL BANK.

Where a bank with which money has been deposited is sued by another than the depositor for the funds, it should take some appropriate means to protect itself, such as depositing the money in court, and asking a decision as to the ownership.

A deposit of money in a bank does not create a bailment, but creates the relation of debtor and creditor.

Where money is deposited in a bank, and there is no contract to pay interest, and payment to the depositor is refused on demand, but subsequently the depositor withdraws the money depos ted without interest, no interest can be afterwards recovered.

BROADDUS, *J.:* This case originated before a justice of the peace, and on appeal to the circuit court, a trial by jury being waived, the Court found for the defendant, and plaintiff appealed.

The facts are as follows : On April 14, 1897, plaintiff deposited with defendant, a National bank, $117 in the usual manner. Five days later plaintiff presented his check for the same amount, and demanded payment, which defendant refused. The ground upon which defendant withheld the fund from appellant was that a suit in equity had been instituted in the Pettis county circuit court by one Barbara Ann Gard against plaintiff and defendant, in which suit it was alleged that the said $117 was money borrowed by plaintiff, Arnold, and secured by deed of trust on certain real estate, and that Arnold had by fraud, duress, and undue influence obtained a deed from said Barbara Ann Gard to said real estate ; and upon these allegations it was sought to set aside said deed and reinvest said Barbara Ann Gard with title to said real estate, and further prayed that defendant bank be ordered to bring into court all money in its hands received by Arnold as the proceeds of said loan. There was no order made during the pendency of said suit upon defendant to bring said money into court.

In October, 1897, said suit was tried, and the issues were found for plaintiff herein, Arnold. On appeal to the Supreme Court said judgment in said cause was affirmed. On July 12, 1900, said check, which had been transferred by plaintiff to H. T. Williams, plaintiff's then attorney, was presented to the defendant bank, and paid. This suit is for the sum of $22.70, the amount of 6 per cent interest on said deposit of $117 from date of such deposit. It was shown that at the time said Williams presented said check last mentioned he made no demand for interest, but that in a short time thereafter he returned to defendant bank, and made demand of it for damages for withholding the money.

The question presented by the case is whether the act of defendant in refusing to pay the money on deposit at plaintiff's order, under the circumstances, amounted to a conversion ; and, if so, did the subsequent act of the plaintiff, through his attorney, Williams, in receiving the amount of the original deposit without demanding interest, operate to extinguish not only the original indebtedness, but interest also ? The plaintiff has cited authority to show that a bailee who refuses to deliver the money on demand of the bailor is guilty of conversion, and the interest thereon for the time it is withheld is the measure of damages. (Allgear vs. Walsh, 24 Mo. App. 134 ; Swallow vs. Duncan, 18 Mo. App. 622.) Such is admitted by the respond ent to be the law, but it denies that it has any application to this case. And appellant further insists that, if respondent was not estopped to question appellant's right to the money, it became liable by holding the money itself. Its only protection from damages would have been by depositing the money in court and obtaining an order upon both claimants to litigate for it.

In Hathaway vs. Foy, 40 Mo. 540, it was held that : "One of two parties claiming property in the hands of a third party cannot bring a suit in equity against the other claimant and the holder to have the rights of the parties determined as upon a bill of interpleader. A bill of interpleader lies only when the party holding the property asserts no interest therein, and is threatened with suits by different persons claiming the same property." (See, also, Arn vs. Arn, 81 Mo. App. 133.)

It was the duty of defendant, when it ascertained that there were rival claimants for the funds, and after it had been in fact sued for the amount, to have taken some appropriate means to protect itself. It could have deposited the money in court, and asked the court to say to which one it belonged. But this it did not do, but kept the money presumably for its own use ; and it should not be allowed to escape a responsibility which it assumed by holding the fund.

We have considered this case upon the theory of the plaintiff that the transaction was a bailment. In our opinion, when plaintiff deposited the $117 with the defendant bank, the transaction became one of debtor and creditor, and not a bailment. (State vs. Reid, 125 Mo. 43, 28 S. W. 172; McKeen vs. Bank, 74 Mo. App. 281.) But, in any view of the case, the judgment will have to be affirmed under the rule of law that, where there is no contract to pay interest, interest is strictly incidental to the debt, and cannot exist after the debt is discharged. (Stone vs. Bennett, 8 Mo. 42; Graves vs. Saline County, 104 Fed. 61, 43 C. C. A. 414; Sedgwick on Dam. § 338; 1 Sutherland on Dam. 677.)

Affirmed. All concur.

MONEY DEPOSITED BY ATTORNEY—BANK NOT CHARGED WITH TRUST.

Court of Appeals at St. Louis, Missouri, March 17, 1903.

RHEINHARDT vs. NEW MADRID BANKING CO.

Where an attorney who has collected money for his client deposits it in bank, the trust relationship does not pass over to or charge the bank as trustee for the client in respect to the money so deposited.

Robert Rutledge, an attorney-at-law, prosecuted a suit for the plaintiff, and recovered a judgment in her favor for $2,142.35, which amount he collected and deposited in the defendant bank to his individual credit. Afterwards he gave a check to plaintiff against the deposit for $1,792.35, which plaintiff presented to the bank, and had cashed. At the time she cashed the check she notified the Cashier that there was yet $117 of the money deposited by Rutledge due to her, and that Rutledge had overcharged her that amount as attorney's fee. The $350, the balance of the judgment collected by Rutledge and remaining to his credit in the bank, he claimed for fee for his services, and to reimburse him for money he had paid out as expenses in prosecuting the plaintiff's lawsuit.

This suit was brought against both the bank and Rutledge. A demurrer was interposed to the petition by defendants on the ground that the petition failed to state any cause of action and that there was a misjoinder of parties defendant. Plaintiff thereupon dismissed her suit as to Rutledge, and the demurrer was overruled as to the bank. The bank filed an answer denying generally the allegations of the petition. The issues were submitted to the court, who gave plaintiff judgment, whereupon defendant appealed.

BLAND, *P.J.:* An attorney of record who prosecutes a suit to judgment for his client has authority to receive the money due on the judgment. (Acock's Adm'r vs. McBroom, 38 Mo. 342; Carroll County vs. Cheatham, *et al.* 48 Mo. 385.) The depositing of the money by Rutledge in the bank created the relation of debtor and creditor between him and the bank (Paul vs. Draper, 73 Mo. App. 566), and it was no concern of the bank's that Rutledge had collected the money as attorney to plaintiff. His trust relation to the plaintiff did not pass over to nor charge the bank as trustee of the plaintiff in respect to the money deposited by Rutledge. Plaintiff, by a proper suit in equity, might have stopped the money in the hands of the bank, and subjected it to her claim, and recovered the fund itself. But there was no contractural relation, in respect to the money, between her and the bank, and she was not entitled to a money judgment in her suit at law against the bank.

The judgment is reversed. All concur.

EFFECT OF INDORSEMENT—WARRANTY OF PRIOR INDORSEMENT.

Supreme Court of Ohio, March 2, 1903.

FIRST NATIONAL BANK OF MT. VERNON, OHIO vs. FIRST NATIONAL BANK OF LINCOLN, ILLINOIS.

One who indorses and delivers a negotiable promissory note in the usual course of business, thereby undertakes that the signatures of all prior indorser are genuine.

In an action brought upon that undertaking by an indorsee to recover the amount which he has been adjudged to pay in consequence of the forgery of the signature of a prior indorser, the plaintiff having given to the defendant timely notice of the pendancy of the suit in which such judgment was recovered, and an opportunity to defend, such former judgment is conclusive with respect to the forgery.

(Syllabus by the Court.)

On March 1, 1897, one Frank Frorer executed his negotiable promissory note of that date for the sum of $2,056, payable to the order of Mrs. C. A. Rowley and F. S. Rowley, her husband, at the First National Bank of Lincoln, Ill. The note came into the possession of the Lincoln bank indorsed: "C. A. Rowley," "F. S. Rowley," "Jerome Rowley," "Pay First National Bank, Lincoln, Illinois, or order. First National Bank Mt. Vernon, Ohio. Fred. E. Sturges, Pres." The signature of Mrs. C. A. Rowley as an indorser of the note was forged.

The Lincoln bank received the note in the due course of business, and, relying upon the genuineness of all the signatures appearing upon the note, presented the same to the maker for payment, and the amount of the note was paid to it by the maker, and by it to the Mt. Vernon bank. Mrs. Rowley thereupon brought suit in the circuit court of Logan county, Ill., against the maker of said note, to compel him to pay to her one-half of said note, she alleging that her signature as indorser of the note was forged, and that she had never received any part of the one-half of the proceeds of said note which belonged to her. She recovered a judgment for the amount claimed. Thereupon the maker of said note, relying upon the warranty of the Lincoln bank that Mrs. Rowley's signature as indorser was genuine, notified it in writing of the said forgery, and demanded that it repay to him the amount of Mrs. Rowley's judgment.

The Lincoln bank thereupon notified the Mt. Vernon bank of that demand, and notified it further that it would require the Mt. Vernon bank to protect the plaintiff, and make good any sum that it might have to pay the maker of said note upon his said demand. The Mt. Vernon bank refused to pay the amount demanded either to the plaintiff or to the maker of the note, and the Lincoln bank refused to pay to the maker the sum demanded by him, and thereupon the maker, Frorer, brought suit against the Lincoln bank to recover the amount which he had been adjudged to pay to Mrs. Rowley.

The Lincoln bank gave notice to the Mt. Vernon bank of the bringing of said suit, furnishing it a copy of the declaration therein, and requesting it to appear and make such defense as it might desire in view of its liability to the Lincoln bank by reason of its warranty that the signatures were genuine; and afterward the Lincoln bank gave to the Mt. Vernon bank timely notice of the day upon which said cause was set for trial; but the Mt. Vernon bank made no defense to said action, nor did it render any assistance in the defense. A judgment against the Lincoln bank was recovered by the maker of the note for the sum of $1,166.81 and costs of suit, and the prayer of the present petition is that the Lincoln bank may recover that amount from the Mt. Vernon bank.

The Mt. Vernon bank answered the petition of the plaintiff, the material portion of its answer being: "The defendant denies that the indorsement of the name of C. A. Rowley on the back of said note was a forgery. On the contrary, it avers that said indorsement was the true and genuine signature of said C. A. Rowley." To this answer the Lincoln bank demurred. The demurrer was sustained, and the defendant not desiring to answer over, a judgment was rendered in favor of the Lincoln bank for the amount which it claimed.

SHAUCK, *J.:* Counsel for the plaintiff in error urge two propositions, either of which, if sound, would require a reversal of the judgment of the circuit court. The first is that the indorsement of the Mt. Vernon bank, though unconditional and unrestricted, did not import a warranty of the genuineness of the signature of the prior indorser, Mrs. Rowley. It is elementary that one who, even by mere delivery, transfers a note payable to bearer thereby undertakes that all signatures upon the note are genuine, and that all whose names appear had legal capacity to enter into the contract indicated. Certainly, the legal import of a transfer by indorsement and delivery cannot be less. (Dumont vs. Williamson, 18 Ohio St. 515; Bank vs. Bank, 58 Ohio St. 207.)

The second proposition of counsel for the plaintiff in error is that it is not precluded by Frorer's judgment against the Lincoln bank from asserting any defense which might have been originally interposed against the claim founded upon the alleged forgery of Mrs. Rowley's signature. The pertinency of this proposition is manifest in view of the allegation in the answer that Mrs. Rowley's signature is genuine. The view urged in support of the judgment of the circuit court is that, although the Mt. Vernon bank was not in fact a party to the record in which Frorer recovered judgment against the Lincoln bank, nevertheless, because of the notice given to it by that bank informing it of the bringing of said suit, and requiring it, as the party liable over to the defendant therein, to appear and interpose such defense as it might have, it is precluded from asserting such defense now.

In Commissioners of Brown Co. vs. Butt, 2 Ohio, 348, it was decided that a sheriff against whom a liability had been adjudged for permitting the escape of a prisoner might have an action over against the commissioners of the county for failing to provide a jail wherein the prisoner could be securely kept, and that in an action brought by him against the commissioners of the county the measure of damages should be the amount of the judgment which had been recovered against him. In a dissenting opinion the correctness of the judgment was denied upon the ground that under the statute then in force the county was not liable over to the sheriff. The case was overruled in the Commissioners vs. Mighels, 7 Ohio St. 109, upon the ground taken in the dissenting opinion, but the doctrine of the case as to the effect of a former suit in an action against one liable over does not appear to have been questioned.

In Miller vs. Rhoades, 20 Ohio St. 494, an action upon a bond given by a creditor to indemnify an officer for the sale of property held by him upon execution, but claimed by another—a judgment having been recovered against the officer, it was held that "the creditor having due notice of the action, and an opportunity to defend against it, the judgment is conclusive evidence against the obligor of the amount of damages sustained." We have become familiar with the application of this doctrine to one who is liable over to another on a warranty of title to land, it being accepted as the established law that the warrantee may charge the warrantor with the consequences of an action to evict by giving him timely notice of the suit, with an offer of opportunity to defend. It is an extension of the doctrine that all who are parties to a judicial record are bound by the judgment, and it rests upon the same foundation—the necessity that there be an end of litigation. It was placed upon that ground in Robbins vs. City of Chicago, 4 Wall. 657, where it was decided that a municipality which had been adjudged liable to one injured in consequence of the dangerous condition of its street might recover the amount of the judgment from the owner of abutting property by whom the dangerous condition had been created, such owner having had actual, though informal, notice of the pendency of the suit against it. The reason for the doctrine does not suggest that there should be any limit to its application because of the nature of the obligation over of the person notified.

Upon examination of numerous decisions in other States and in the Federal courts, it appears that the doctrine is of general application, without regard to the nature of the liability over of the person notified, whether it arises out of contract or by operation of law. Many cases illustrative of the varied application of the doctrine are collected in Black on Judgments, § 574, and Bigelow on Estoppel, p. 131. They seem to recognize no exception to the rule that in an action to recover from one liable over on account of a demand upon which there has been a judgment against the plaintiff, the defendant is bound by such judgment if he had due notice of the suit in which it was rendered, and an opportunity to defend.

Some differences of opinion appear with respect to the character of the notice which should be given to the person liable over, but none of the cases casts any doubt upon the sufficiency of such full notice and opportunity to defend as are set out in the untraversed allegations of the original petition in the present case.

Judgment affirmed.

Burket, *C. J.*, and Spear, Davis, Price, and Crew, *JJ.*, concur.

ACCOMMODATION NOTE—BONA FIDE HOLDER—DISCOUNT.

Court of Appeals of Maryland, January 22, 1903.

BLACK vs. FIRST NATIONAL BANK OF WESTMINSTER.

To constitute notice of an infirmity in the instrument or defect in the title of the 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.

In a suit upon a promissory note it is no defense that the note was known to be an accommodation note between the maker and the payee, provided the holder took it for value, *bona fide*, before it was due.

To "discount paper," as understood in the business of banking, is only a mode of loaning money, by taking the interest in advance.

This suit was brought by the First National Bank, of Westminster, to recover from Levi Black the amount due upon two negotiable promissory notes, for $100 each, made by him, and payable to the order of the United Milk Producers' Association.

PEARCE, *J.* (omitting part of the opinion): The first question is presented by the ruling of the demurrer. As to the eighth and ninth pleas, there is no averment in either that the plaintiff took the notes with knowledge of the fraud charged in one, or of the breach of faith charged in the other, and there was therefore no error in the ruling as to these pleas. (Banks vs. McCosker, 82 Md. 518, Code, Art. 13, § 75.)

The tenth plea does not aver that the agreement set out therein was in writing. In McSherry vs. Brooks, 46 Md. 118, prayers were rejected which sought to defeat recovery by an indorsee upon promissory notes because of an alleged parol promise by the payee to keep the notes in his possession and not pass them away; the Court saying, "This would seem to be contrary to all principle and authority," and that it was not competent "to destroy their legal import and operation by the introduction of parol evidence that the notes were not to be negotiated, notwithstanding the negotiable terms employed on their face."

But it is not necessary, as was contended by the appellee, to allege in the declaration that the promise is in writing. If it appear in proof at the trial to be in writing, it is sufficient for its admission. (Ecker vs. Bohn, 45 Md. 285; Horner vs. Frazier, 65 Md. 1.)

But if in writing, that could not avail in this case, since this plea expressly alleges the execution and delivery of the notes by the defendant to the association, and section 43 of article 13 of the Code provides that every negotiable instrument is deemed, *prima facie*, to have been issued for a valuable consideration, and every person whose signature appears thereon to have become a party for value; and section 45 provides that, 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 become such prior to that time. But apart from these considerations, the plea states a case which does not disentitle the plaintiff to recover, since it alleges that the notes were delivered by the association to the Old Town Bank "as collateral security for advances to be made by it to the association"; and in Maitland vs. The Citizens' Bank, 40 Md. 562, it is said that "every person is within the rule, and entitled to the protection of a *bona fide* holder for value, who has received the note in payment of a precedent debt, or has taken it as collateral security for a precedent debt, or for future as well as past advances."

The Old Town Bank, therefore, as well as the plaintiff, is presumed to be a holder for value; and in Cover vs. Myers, 75 Md. 419, the Court said: "Where a negotiable instrument is originally infected with fraud, invalidity, or illegality, the title of the original holder being destroyed, the title of every subsequent holder which reposes on that foundation, and no other, falls with it. But if any subsequent holder takes the instrument, in good faith and for value, before maturity, he is entitled to recover on it, and so any person taking title under him may recover, notwithstanding such latter holder may have knowledge of the infirmities of the instrument; and all that is required of the holder in such case is that it be proved that he, or some preceding holder or indorsee, under whom he claims, acquired title to the paper before maturity, *bona fide*, and for value." And this view of the law has since been formulated in section 77 of article 13.

We find no error, therefore, in the ruling as to this plea. The only difference between the tenth and eleventh pleas is that the latter alleges these notes were given to the association for its accommodation, and that this fact was known to the plaintiff. But this does not alter the case, nor destroy the negotiability, in fact, of paper which was made negotiable in form for the accommodation of the party receiving it, for, as was said in Maitland vs. Citizens' Bank, *supra:* "The result of all the well-considered cases upon the subject is that it is no defense that the note sued on was known to be an accommodation note between the maker and the payee, provided the plaintiff took the note for value, *bona fide*, before it was due. The reason is, as stated by Mr. Justice Story, that the very object of any accommodation note is to enable the party accommodated, by sale or negotiation, to obtain a free credit and circulation of the note; and this object would be wholly frustrated unless the purchaser, or other holder for value, could hold such a note by as firm and valid a title as if it were founded in a real business transaction." And section 48 of article 13 of the Code declares that: "An accommodation party is one who has signed the instrument as maker, drawer, acceptor or indorser, without receiving value therefor, and for the purpose of lending his name to some other person. Such a party is liable on the instrument to a holder for value, notwithstanding such holder, at the time of taking the instrument, knew him to be only an accommodation party."

It is obvious from the above language of the Code, and from that of Maitland's Case, that an accommodation note, taken for value and before maturity, is taken *bona fide;* and what we have said respecting the tenth plea is equally applicable to the eleventh plea. The twelfth plea is based upon the alleged executory agreement between the defendant and the association, which is sufficiently stated in the earlier part of this opinion. The plea avers knowledge by the plaintiff of the terms of this agreement when the notes were taken, but contains no averment of breach and notice of breach before the plaintiff took the notes, and parted with its money on their faith and credit.

Upon principle, it would seem that this must constitute a fatal defect in the plea, and the authorities sustain this view. The rule is stated thus in U. S. Nat. Bank vs. Floss (Or.) 62 Pac. 751: "The breach of an executory agreement which forms the consideration of a negotiable note is not a defense in whole or in part, against an indorsee who took the note for value, before maturity, even if he had notice of the contract, unless he was also informed of the breach before its purchase."

In Davis vs. McCready, 17 N. Y. 233, the reasons upon which this rule rests are well stated in an opinion by Judge Denio. In that case the consideration for the acceptance of a bill of exchange was the sale of a brig, accompanied by an executory agreement of the vendor to make such repairs as would render her seaworthy. The defense was that this agreement had not been performed, but the Court said: "The plaintiffs were not bound to follow up the transactions between the original parties to the bill. To hold otherwise would attach an inconvenient and repugnant condition to such an acceptance. By accepting, simply and unconditionally, a negotiable bill, the defendants are to be held as intending to give it all the qualities of commercial paper, one of which is that it shall circulate freely for the pur-

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poses of business, and be available in the hands of any holder for value. To decide that one who proposed to purchase it, and who had a knowledge of the transaction upon which it was given, must await the consummation of that transaction, would essentially impair its character and legal effect." So in Arthurs vs. Hart, 17 How. 6, the Supreme Court of the United States said: "It is true, the plaintiffs knew at the time they took the paper that it was given as part of the price of a sugar-mill, and that the mill had been defectively constructed; but they also knew that the defendant, upon the promise of the builders to make the necessary repairs, had agreed to accept the bill unconditionally, and had accepted it accordingly. They knew, therefore, that he looked to this undertaking for indemnity, and not to any conditional liability upon the acceptance; and the transaction which is brought home to the plaintiff lays no foundation, in law or equity, to impeach the paper in their hands." We are of opinion, therefore, that the demurrer was correctly overruled, as to all the pleas to which it was addressed.

* * * * * * * * * * *

The defendant's second, third, fourth and fifth prayers are all based upon the theory that there was evidence proper to be submitted to the jury to show that the $5,000 note and the two notes sued on were sold to, and were not discounted by, the plaintiff; that such purchase was not within the corporate powers of the plaintiff; and that such defense was open to defendant, and precluded recovery by the plaintiff. But we do not find that there is any legally sufficient evidence that the transaction was a sale, and the plaintiff specially excepted to all these prayers on that ground.

In Lazear vs. Union Bank, 52 Md. 78, there was such evidence. The Court says on page 124, 52 Md.: "The evidence shows that Winchester & Son, note and bill brokers, were employed by Lazear Bros. to sell the note of June 22, 1872, to any purchasers willing to buy, and that it was sold to the appellee, over the counter of its banking-house, at nine per cent. discount, for Lazear Bros., the drawers, who received the proceeds of sale." Here the evidence of the plaintiff's Cashier, Gehr, who was put upon the stand by the defendant, is that the $5,000 note was discounted (the note sued on being shown to be among the collateral given therefor), and that the amount of the discount was the legal rate for ninety-one days—the time that the note ran. "To 'discount paper,' as understood in the business of banking, is only a mode of loaning money, with the right of taking the interest allowed by law in advance." (Vol. 2 [2d Ed.] Amer. & Eng. Enc. of Law, p. 469.)

This term has been defined by this court, in almost the same exact language, in Weckler vs. First Nat. Bank, 42 Md. 592, where Judge Miller says: "The ordinary meaning of the term 'to discount' is to take interest in advance, and, in banking, is a mode of loaning money. It is the advance of money not due till some future period, less the interest which would be due thereon when payable" Only the legal rate of interest would be due on the principal when payable, and thus Judge Miller's definition of the term is shown to be the same as that given above. If the legal rate were exceeded, a presumption might arise that the parties intended or the law implied a sale, rather than a discount, because a sale (between ordinary parties, at least) would be legal at any rate of deduction agreed on; but, where a bank discounts paper at a rate exceeding that allowed by law, the transaction would be within the usury law.

Being of opinion that there is in this case no legally sufficient evidence to show a purchase of these notes, or of the $5,000 note, we have no occasion to consider the conflict between the decision in Lazear's Case and those decisions of the United States Supreme Court, upon section 5136 of the National Banking Act (U. S. Comp. St. 1901, p. 3456), in Nat. Bank vs. Matthews, 98 U. S. 626, and Nat. Bank vs. Whitney, 103 U. S. 99, cited with apparent approval in Heironimus vs. Sweeney, 83 Md. 160, in an opinion concurred in by the full bench, as well as the later case of Nat. Gloversville Bank vs. Johnson, 104 U. S. 271.

In the still more recent case of Danforth vs. The Nat. State Bank, 1 C. C. A. 62, 48 Fed. 271, it was held that cases could not be distinguished, where the title to the paper is transferred by an indorsement imposing the ordinary liability upon the indorser, from those where it is transferred by indorsement without recourse, or by mere delivery.

In United German Bank vs. Katz, 57 Md. 141, this court reviewed the case of Lazear vs. Nat. Union Bank, *supra*, and distinguished it from the case before them; holding that the doctrine of *ultra vires* is not applicable to executed contracts, which the Court said, "by the plainest rule of good faith, should be permitted to stand." In that case it was held that the United German Bank had no authority to discount promissory notes, but the Court said: "It does not follow, as a consequence of this view, that, because the appellant exceeded its legitimate powers in procuring this note by discounting the same, recovery cannot be had. If he received the plaintiff's money, or was the knowing instrument of some one else doing so, he ought not to escape liability to pay on that ground. * * * Whether he received the money personally, or not, is immaterial, if by his procurement some one else did get the money upon the faith of what he did. It was all one transaction." So in the case before us the First National Bank of Westminster is supposed to have parted with its money upon the faith not only of the principal note of $5,000, but also of the other notes put up as collateral. "The two, as elements of the consideration, are inseparable. The courts will not inquire whether the holder parted with value because of the original or collateral paper. They consider such value given for both." (Bank of State of N. Y. vs. Vanderhorst, 32 N. Y. 553; Norton on Bills and Notes [3d Ed.] 314, 315.) Being thus an executed contract, even if the transaction were a sale, and not a discount, recovery could be had under the Katz Case, *supra*, which was held not to be in conflict with Lazear's Case.

COLLATERALS PLEDGED WITH NATIONAL BANK—WHEN ULTRA VIRES NO DEFENCE.

Supreme Court of Nebraska, May 22, 1901.*

UNION NATIONAL BANK OF CHICAGO vs. TOUZALIN IMP. CO., *et al.*

Where a borrower has deposited collateral securities with a National bank, he cannot set up as a defence that the bank had no power to take the same.

The defendant Reynolds borrowed money of the plaintiff in Chicago, Ill., upon his notes, and pledged shares of the capital stock of the Touzalin

*This case was withheld from publication by order of the court.

Improvement Company as collateral security. The contract was in writing, and gave the bank, in event of default in payment, power "to sell said collateral securities, or any portion thereof, at public or private sale, at the discretion of said bank, without advertising the same or otherwise giving notice; and the said bank may become the purchaser at any public sale, and the said bank shall apply the proceeds," etc. Afterwards, the notes being long past due, the bank proceeded under the above power, and foreclosed the pledge by advertisement and public sale. The stock was bought in for the bank, and afterwards assigned to the bank under a power of attorney given by Reynolds at the time of pledging the stock.

A demand was duly made for a transfer of the stock on the books of the company, which was refused ; whereupon this action was brought to compel a transfer of the stock, and to enjoin the defendant Reynolds from voting the stock at stockholders' meeting.

SEDGWICK, *C.* (omitting part of the opinion): It is next insisted that the plaintiff, being a National bank, could not, under its charter, take such securities ; but we are not aware of any provisions of the National Banking Law that are violated by taking such securities as these. At all events, the Government is not complaining, and appellants cannot avoid their contract upon such grounds.

PARTNERSHIP ACCOUNT—INDIVIDUAL DEBT OF ONE OF THE PARTNERS—SET OFF.

Supreme Court of California, May 22, 1903.

WILLEY vs. CROCKER-WOOLWORTH NATIONAL BANK OF SAN FRANCISCO.

A bank may not charge against the deposit of a firm the past-due note of one of the partners held by it.

A bank which has received a deposit for a firm account cannot set up that one of the members of the firm (in this case a corporation) had no power to become such.

A. B. Perry & Co , a copartnership composed of Alvan B. Perry and W. P. Fuller & Co., a corporation, did their banking business with defendant, a banking corporation, and had a deposit with the defendant. On February 14, 1899, the copartnership had on deposit with the defendant the sum of $1,720.64. On February 16, 1899, Alvan B. Perry died, leaving W. P. Fuller & Co. as the sole surviving partner. After the death of Perry, W. P. Fuller & Co. presented a check, properly drawn, to the defendant, and demanded payment, but payment was refused. Defendant attempted to justify its refusal to pay upon the following facts: A. B. Perry & Co. had their account and did their banking business with the Tallant Banking Company from August 4, 1897, up to November 28, 1898, but Alvan B. Perry had no personal account with the banking company.

On August 4, 1897, Alvan B. Perry, individually, borrowed from the Tallant Banking Company the sum of $1,600, giving his personal note therefor, payable ninety days after that date, which transaction was entered in their books and carried forward in a separate account of Alvan B. Perry under and as bills receivable. On November 12, 1898, the Tallant Banking Company transferred to defendant certain of its assets, including this note, and thereupon defendant assumed certain liabilities of the Tallant Banking Company, including the liability for the deposit to the credit of A. B. Perry &

Co. The deposit account was thereafter kept by defendant with A. B. Perry & Co., but Alvan B. Perry had no individual deposit account with defendant at any time. After the transfer by the Tallant Banking Company to defendant, it sent notices of interest due on the note to Alvan B. Perry, and the interest was paid by Perry from time to time. After the transfer of the account to defendants, it gave to A. B. Perry & Co. a passbook inscribed "A. B. Perry & Co.," and the account was so kept on defendant's books, and it dealt with the copartnership as such—received its deposits and honored its checks—without prosecuting any inquiry as to who were the members constituting such copartnership.

On February 16, 1899, the day of Alvan B. Perry's death, and without any authority or request from Alvan B. Perry or from A. B. Perry & Co., defendant charged up to the account of A. B. Perry & Co. the sum of $1,604.96, being the amount due upon the note. Defendant claimed that it had the right to pay the note from the amount due on the account of A. B. Perry & Co., for the reason that it did not know that any one other than Alvan B. Perry was a member of or interested in the firm, and for the further reason that the corporation of W. P. Fuller & Co. could not legally enter into a copartnership with an individual, and that for this reason there was no copartnership.

PER CURIAM (omitting part of the opinion): If the money on deposit in the name of A. B. Perry & Co. belonged to a copartnership doing business under the name and style of A. B. Perry & Co., it is clear that defendant had no right to appropriate the deposit for the purpose of paying the individual indebtedness of A. B. Perry. It had made the loan to Perry individually, and had taken his unsecured note for the amount. It knew that it had two different names on its books, and that one, at least apparently, was that of a firm or association of individuals. The words "A. B. Perry & Co." were sufficient, upon their face, to put defendant upon inquiry. And that the defendant knew it was dealing with a different person from Alvan B. Perry further appears from the fact that in November, 1898, it loaned the sum of $3,000 to and took the note of A. B. Perry & Co. for the amount. This note was paid by A. B. Perry & Co., and not by Alvan B. Perry. Defendant had no agreement whereby it had any lien or claim on the funds of A. B. Perry & Co. It received the deposit under that name. It cannot, of its own volition, repudiate the obligation by showing that the name was that of something having no legal existence. It is not necessary to decide the question as to whether or not a corporation can legally enter into a copartnership. It will be sufficient to decide that question when it is properly raised by some one who is interested and who has the right to raise it. There is no doubt, in case this suit had been brought by the copartnership during the lifetime of Perry, the defendant would have been estopped from denying that it was a copartnernership. Defendant, having voluntarily treated it as such for the purpose of receiving its deposits and business, will be compelled to treat it as such for purpose of repaying such deposits. Defendant's attorneys, in their closing brief, very frankly and fairly admit this proposition, and say: "If Perry were alive, and had joined with W. P. Fuller & Co. as plaintiff, or had joined in an assignment of this claim, we frankly and fully admit that the question as to the power of this corporation to enter into a copartnership would not be before the court." And such was the ruling of this court in

Yancy vs. Morton, 94 Cal. 561, where it was held that the owner of a building was estopped from setting up the illegality of the formation of a partnership by two corporations which furnished materials for the building, in an action to foreclose a lien therefor by an assignee of the partnership.

The defendant was therefore estopped during the lifetime of Perry from making any such defense as it is attempting to make here. It was so estopped at the time it made the transfer of the partnership account to the payment of the note of Alvan B. Perry. Then the question arises as to whether or not such estoppel continued after the death of Perry, and as to his surviving partner. The heirs and administrators of Perry succeed to his rights, and therefore are in privity with him. (Bigelow on Estoppel [5th Ed.] pp. 148, 347.) In such case the estoppel applies to the privies in estate. (*Id.* pp. 142, 143.) The corporation of W. P. Fuller & Co. was in fact a copartner, whether it was so in a legal sense or not. It had acted as such. Perry, in his lifetime, by express agreement, had made it such. He was estopped by his agreement from denying that it was such. Defendant had, by its conduct, treated it as such. Therefore when Perry died the corporation was a surviving partner in fact. Whether it was so legally or otherwise, it certainly was so as a matter of fact. As such surviving partner, Code Civ. Proc. § 1585, gave it the right "to continue in possession of the partnership, and to settle its business * * * and account with the executor or administrator, and pay over such balances as may from time to time be payable to him in right of the decedent." The estoppel continued after the death of Perry as to his heirs and legal representatives, as to the condition of affairs that had been brought about by the surviving partner, and to any balance that might be due deceased from the assets of the copartnership.

UNSTAMPED NOTE-WHEN NOT VOID.

Supreme Judicial Court of Massachusetts, June 17, 1903.

ROWE vs. BOWMAN.

The provisions of the War Revenue Law forbidding unstamped instruments to be received in evidence applied only to the Federal courts.

The provision of such law declaring unstamped instruments to be invalid applied only to cases where the stamp had been fraudulently omitted.

This was an action upon a promissory note signed by the defendant and another.

LORING, *J.* (omitting part of the opinion): The other two exceptions relate to the fact that there was no revenue stamp on the note in suit when it was delivered to the plaintiff, as required by act June 13, 1898, c. 448, § 6, Schedule A, 30 Stat. 448, 451 (U. S. Comp. St. 1901, p. 2291), and that the plaintiff subsequently affixed the proper stamp to the note, and canceled it in the defendant's name. His request was that the judge should rule, as matter of law, that this constituted a material alteration of the note, and that the note should be ruled out, as inadmissible evidence.

The second of these two exceptions is covered by the previous decisions of this court in Carpenter vs. Snelling, 97 Mass. 452; Green vs. Holway, 101 Mass. 243. Under those decisions, act June 13, 1898, c. 448, §§ 7, 14, 30 Stat. 452, 455 (U. S. Comp. St. 1901, pp. 2292, 2297), forbidding unstamped instruments from being admitted in evidence, must be confined to courts of the United States.

The first of these two exceptions must also be overruled. The note was not invalid before the stamp was annexed. It was decided by this court, after great deliberation, that act July 13, 1866, c. 184, § 9, 14 Stat. 101, declaring unstamped instruments to be invalid, applied only to instruments where the stamp had been fraudulently omitted. (Green vs. Holway, 101 Mass. 243; Moore vs. Quirk, 105 Mass. 49, 7 Am. Rep. 499.) And the Supreme Court of the United States reached the same conclusion. (Campbell vs. Wilcox, 10 Wall. 421, 19 L. Ed. 973.) The act in question, act June 13, 1898, c. 448, § 13 (30 Stat. 454 [U. S. Comp. St. 1901, p. 2294), so far as the question of the validity of unstamped instruments is concerned, is the same as act July 13, 1866, c. 184, § 9; and the decision in Green vs. Holway, 101 Mass. 243, and the reasons given for it, are applicable here.

It was held in Green vs. Holway, 101 Mass. 243, 251, that the burden of proving a fraudulent intent is on the person who asserts it. As there was no evidence in the case at bar that the note was originally left unstamped with intent to defraud, the note here in question must be taken to be a valid note.

In our opinion, the question whether there was or was not a material alteration of this note, which was made in Massachusetts, and apparently was to be paid in Massachusetts, must be determined by the laws administered in the courts of Massachusetts. (Fuller vs. Green, 64 Wis. 159.) As the note was admissible in Massachusetts courts without a stamp, annexing a stamp was not a material alteration of the note, within Rev. Laws, c. 73, § 142.

Exceptions overruled.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

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

PRINCIPAL AND AGENT—BANK OF ENGLAND—TRANSFER OF STOCK—POWER OF ATTORNEY—IMPERIAL WARRANTY OF AUTHORITY—INNOCENT MISREPRESENTATION—FORGED POWER—LIABILITY OF AGENT.

STARKY vs. BANK OF ENGLAND (1903 Appeal Cases, P. 114).

The principle of Collen vs. Wright (1857) 8 E. & B. 647, 657, is not confined to cases where the transaction with the person representing himself to be an agent results in a contract.

A broker applied to the Bank of England for a power of attorney for the sale of consols, believing himself to be instructed by the stockholder, and *bona fide* induced the bank to transfer the consols to a purchaser upon a power of attorney to which the stockholder's signature was forged

Held, that the broker must be taken to have given an implied warranty that he had authority, and that he was, therefore, liable to indemnify the bank against the claim of the stockholder for restitution.

Decisions of Kekewich, *J.* (1901) 1 Ch. 652, and the Court of Appeal reported as Oliver vs. Bank of England (1902) 1 Ch. 610, affirmed.

Statement of Facts: In December, 1897, a sum of consols was standing in the joint names of F. W. Oliver and his brother Edgar in trust for others. F. W. Oliver wrote to a firm of stock brokers, of which the appellant was a member, inclosing an application to the Bank of England to issue a power of attorney from F. W. and Edgar Oliver to the appellant and his partner to transfer the consols, and requesting the brokers to lodge the application with the bank. The appellant having lodged it, the bank issued to the brokers a power of attorney to sell and transfer, and sent notices to F. W. and Edgar Oliver at the addresses given in the application that a power had been applied for. No notice reached Edgar Oliver. The brokers forwarded the power to F. W. Oliver, who returned it to the brokers, executed by him, and purporting to be executed by Edgar. The brokers, believing that all was right, sold the consols, and the power was lodged at the bank by the appellant, who afterwards signed the "demand to act" indorsed on the power and executed the transfer to the purchaser. A similar transaction afterwards took place with regard to a transfer of bank stock. After F. W. Oliver's death, in 1899, it was discovered that the signatures of Edgar Oliver to the powers of attorney were forgeries, and that he knew nothing of the transactions. Edgar Oliver having brought an action against the bank for restitution, the appellant was made a third party upon a claim of indemnity by the bank. The action was tried before Kekewich, *J.*, whose judgment declared that the transfers were invalid, and ordered the bank to place equivalent amounts of consols and bank stock in the name of Edgar Oliver in the bank books and to pay him a sum equal to the dividends which had accrued since the transfers, and also ordered the appellant to indemnify the bank by similar transfers and payment to the bank. This decision was affirmed by the Court of Appeal.

JUDGMENT (EARL OF HALSBURY, *L. C.*): My Lords, I confess I have been puzzled to think how I should have argued this case on the part of the appellant if I had had the duty of doing it. The two learned counsel have very ingeniously occupied a considerable time in endeavoring to solve the difficulty I should have had. I entertain no doubt upon the question; it seems to me that there never has really been any doubt.

Taking the original judgment in Collen vs. Wright, I will just read three passages from it. Lord Campbell says: "There can be no doubt that the testator asserted that he had authority to let the property on the terms to which he agreed. That is a promise and a warranty. Might he not then have been sued on the warranty, although he believed it to be true? If he induced the plaintiff to act upon it, he was bound. It is broken, since the testator had not authority." Wightman, *J.*, says: "If a man makes a contract as agent he does promise that he is what he represents himself to be, and he must answer for any damage which directly results from confidence being given to the representation." Crompton, *J.*, says: "I am of the same opinion. The first question is, Whether an action lies on the contract of a person representing himself to have authority, there being good consideration for such contract." Those three statements seem to me to cover the whole ground. And those statements are corroborated by the full Court of Exchequer. The whole number, therefore, of the judges who held both of those principles to be part of the law of England was nine judges, and it was nearly fifty years ago. That seems to me to render this case free from doubt.

Here is a formal document intended to be acted upon, which, upon the face of it, purports to be a representation of authority by the persons whose signatures purport to be appended thereto. Upon the facts, I should have thought it was impossible to doubt that that was a representation of authority on the part of those two persons whose signatures purport to be to it, and the person who presents the authority and demands to act upon it is himself asserting that he has authority to do the thing he is doing. He had no such authority. The result is that the bank has transferred a quantity of consols standing in the names of two persons when only one person gave the authority.

This appears to me to come within the decision to which I have referred, and I do not think it is necessary to go through the *catena* of cases on that subject.

It is said that this case is extending the principle of Collen vs. Wright. I do not think it is. It seems to me as a matter of principle to fall exactly within Collen vs. Wright. I am not able, and I never have been able, from the beginning to the end of the argument, to understand what is meant by saying that there is a distinction which makes it an extension of Collen vs. Wright, because the consequence in Collen vs. Wright was a contract, but here no such consequence follows. The argument arises from a confusion as to whether the facts made a contract between the plaintiff and the defendants, and the difference of whether or not a contract follows in consequence of the representation made; that seems to me an absolutely illogical and unintelligible distinction. That which does enforce the liability is this —that under the circumstances of this document being presented to the bank for the purpose of being acted upon, and being acted upon on the representation that the agent had the authority of the principal, which he had not, that does import an obligation—the contract being for good consideration—an undertaking on the part of the agent that the thing which he represented to be genuine was genuine. That contains every element of warranty.

The result is, I think, that this appeal should be dismissed with costs, and I move your Lordships accordingly.

BANK IN LIQUIDATION—WINDING-UP ACT, 1886, SECTIONS 15 AND 31—RESTRICTED POWERS OF LIQUIDATORS OF BANK TO SUE IN THEIR OWN NAME—POWER TO AMEND BY ADDING BANK AS PLAINTIFFS.

KENT AND OTHERS, LIQUIDATORS OF LA BANQUE VILLE-MARIE vs. LA COMMUNAUTE DES SOEURS DE CHARITE DE LA PROVIDENCE, *et al.* (1903, Appeal Cases, page 220).

Under the Canadian Winding-up Act, 1886, §§ 15 and 31, a company in liquidation retains its corporate powers, including the power to sue, although such powers must be exercised through the liquidator under the authority of the court. The liquidator must sue in his own name or in that of the company, according to the nature of the action: in his own name where he acts as representative of creditors and contributories; in that of the company to recover either its debts or its property.

Where liquidators sued in their own name to recover a debt due to the company:

Held, that the error was one of form, which the court had power to give leave to amend under §§ 516 and 521 of the Code of Civil Procedure. The defendant having admitted the debt and pleaded set off, and not having excepted to the form of the action, leave to amend should have been given in the sound exercise of judicial discretion.

STATEMENT OF FACTS: The judgment of the Quebec Court of the King's Bench in this case was given on page 649 of THE BANKERS' MAGA-

ZINE for May, 1903, where the facts are fully stated. An appeal was taken to the Privy Council, the judgment of which was delivered by Lord Davey.

JUDGMENT: The Privy Council held, affirming the judgment below, that the liquidators had not in themselves a status to sue in this case. The office of the liquidator has, in fact, a double aspect. On the one hand he wields the powers of the company, and on the other hand he is the representative for some purposes of the creditors and contributories. There are, therefore, many cases in which he may sue in his own name; as, *e.g.*, to impeach some act or deed of the company before winding up, which is made voidable in the interest of the creditors and contributories. But their Lordships think that wherever the object of the action is to recover a debt, or to recover or protect property, the title to which is in the company, the action should be brought in the name of the company.

As to the question of allowing an amendment adding the bank as parties plaintiffs, the learned judge proceeds as follows: The powers of amending pleadings are contained in Chapter XXIII of the Civil Procedure Code. The learned judges in the Court of the King's Bench seem to have thought that the language of the sections contained in this chapter was insufficient to authorize the amendment sought by the appellants. But it was not denied by learned counsel for the respondents at their Lordships' bar that the power was sufficient for the purpose, and it was argued only that it was a discretionary power, and their Lordships should not overrule the discretion exercised by the court below. In the opinion of their Lordships the powers of amendment given by the Code are full and ample, and the court had power under section 516 to give leave to amend the summons or declaration in any way the court might think proper. Indeed, it may be doubted whether the defect in the present case was really more than an irregularity of form which might have been cured by an amendment by the judge *mero motu* under section 518. The substance of the action was to recover a debt alleged to be due to the company in liquidation which the liquidators were the only proper persons to receive and give a discharge for.

No defence was available against the company which was not equally available against the liquidators, and the parties were content to fight the case out with the liquidators who were their real opponents, and the case was in fact fought out with the liquidators without any exception to their right to sue, and was ripe for judgment. It is impossible to say that the proposed amendment changes the nature of the demand or can in any way cause a prejudice to the respondents. In short, the liquidators are *domini litis*, and it was not improper to make them plaintiffs, but they ought to have joined with themselves the company; or, in other words, the liquidators had the right to sue, but sued in the wrong form. It would seem, therefore, that Art. 521 of the Code is applicable to the case. Their Lordships would always hesitate before interfering with the exercise of a discretion by the court below, but in the present case the learned judges seem to have proceeded on an erroneous construction of the Code. Their Lordships will only add that their decision will not be a precedent for substituting one plaintiff for another in other circumstances, and no such injustice as the Chief Justice apprehended need be feared. All they decide is that the proposed amendment could, and in the particular circumstances of this case ought to, have been allowed in the sound exercise of a judicial discretion.

PROMISSORY NOTE—PLEA THAT NOTICE OF PROTEST WAS NOT REGULARLY GIVEN TO ENDORSER—PLEA NOT SUPPORTED BY AFFIDAVIT (ART. 208 C. C. P.)

THE WESTERN LOAN AND TRUST COMPANY vs. ROSS (Quebec reports, 12 King's Bench, page 226).

A plea to an action against the endorser of a promissory note, alleging that notice of protest was not regularly given, should set out specially the irregularity complained of; and, further, such plea must be supported by affidavit establishing the facts alleged. (Art. 208 C. C. P].

STATEMENT OF FACTS: The action was on a promissory note for $22,000, signed by Hibbert, and payable to the order of W. B. Stephens, who endorsed it to the order of the Western Loan and Trust Company. Stephens was the manager of the plaintiff company and he endorsed the note and delivered it for value to the plaintiff, and subsequently died. His heirs renounced his succession and the defendant, Ross, was duly appointed and acts as curator to the vacant succession of Stephens.

About the time of the maturity of the note it was handed to the Montreal Branch of the Canadian Bank of Commerce for collection. The note was presented to Hibbert on its maturity, and as he had not funds to meet the note it was protested by the notary of the bank and notice of dishonor sent by him through the post by a letter addressed to the endorser, W. B. Stephens (then dead) and the Western Loan and Trust Company. At the trial judgment was given condemning Hibbert and Ross jointly to pay the amount of the note. An appeal was taken to the Court of Review, where it was strongly contended on behalf of the defendant, Ross, that protest was not properly given to him as the representative of the said W. B. Stephens in accordance with Sec. 49, sub-sec. 1 of the Bills of Exchange Act. This sub-section is as follows: "Where the drawer or endorser is dead and the party giving notice knows that, the notice must be given to a personal representative if such there is and with the exercise of reasonable dilligence he can be found." The Court of Review upheld this contention and dismissed the action against the defendant, Ross. Further appeal was taken to the Court of Appeal whose judgment was given by Mr. Justice Hall.

JUDGMENT: We are all of opinion that the evidence established conclusively that the note was an accommodation note for Stephens, and that if this allegation had appeared in the pleadings, the defect, if any, in connection with the protest and notice would have had no effect in so far as Stephens or his estate were concerned, but the absence of such an allegation in the pleadings necessitates a careful consideration of the other grounds submitted to us.

As to the first ground, there can be no doubt that the notice was not properly addressed. Stephens was appellants' manager. At the maturity of the note he had been dead over six months, and his death disclosed the embarrassed position in which his management had so involved the appellants' company that a liquidation had been found necessary, and had been in operation for over four months before this note was handed over to the bank for protest.

There can be no moral doubt, therefore, that the appellants were fully aware of Stephens' death, and the most ordinary prudence would, therefore, have required them to convey this information to the bank when asking it to perform the *pro forma* function of making the usual demand of payment upon the note and advising the endorsers of its dishonor. On the other hand, the respondent, Ross, when called upon to plead to the action, knew as well as we know now all these details, and as he made no specific denial of plaintiffs' allegation that "payment of said note at maturity was duly required and demanded of defendant at the place stipulated for its payment, and payment refused and said note was duly protested for non-payment and notice thereof given to the indorser Stephens" (I quote the words of the declaration), he was, to say the least, equally negligent with plaintiffs. It is true that by a general (No. 3) of his plea he denies No. 7 and No. 8 of plaintiffs' declaration, No. 7 being the one above quoted, and, of course, he contends that this was sufficient to put this allegation in issue, and to entitle him to the benefit of any irregularity in regard to said notice and protest. This brings us naturally to the consideration of appellants' second ground, that defendant forfeited all benefit from the denial contained in section 3 of his plea, through failure to support it by the affidavit required by article 208 C. P.:

"Every denial, in the case of a promissory note, that the necessary protest, notice and service have been regularly made must be accompanied with an affidavit of the party making the denial, stating in what respect the irregularity consists."

The origin of this provision in the Judicature Act, and its retention in our Code of Procedure, rather than in connection with the Bills of Exchange Act, show that it was enacted and is preserved to ensure good faith in pleading, to inform the opposing party what is the nature of the defence intended to be urged, and in this respect the form of defendant's plea and the absence of the stipulated affidavit, seem to the majority of the court to be fatally defective. The omission, by the defendant, of any specific denial of his having received notice of protest, by reason of its improper address to Stephens himself after his death, and the absence of any affidavit in support even of the general denial of the validity of the service, were, if not an invitation, at all events an excuse, in our opinion, to the plaintiffs to refrain from any special answer to that portion of the plea; a special answer to the effect that neither the actual representative of the appellants' company—the official liquidator—at the maturity of the note, nor the bank under whose directions the protest was made, did, as a matter of fact, know that Stephens was dead. By the absence of such specific plea and affidavit the plaintiffs may also have been put off their guard as to the necessity of invoking—either by special answer, or amendment to their declaration—the principle upon which they now rely; that the note was given for Stephens' accommodation, and, therefore, that he was not entitled to notice of protest. Concurring as we all do in the position that this principle, had it been invoked, would have been an effectual answer to the objection upon which the judgment in review is based, a majority of the court are of opinion that respondent's own neglect in particularity in pleading the specific defect in the service of notice of protest, and his failure to support his plea by the affidavit required by article 208 C. P., deprive him of the right to succeed under that portion of his defence, and concurring as we do in the judgment of the Superior Court upon the other issues raised by the defendant, the present appeal is maintained and the original judgment restored.

REPLIES TO LAW AND BANKING QUESTIONS.

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

A reasonable charge is made for Special Replies asked for by correspondents—to be sent promptly by mail.

DRAFT PAID TO WRONGFUL HOLDER.

Editor Bankers' Magazine: CASCADE, IOWA, July 15, 1903.

SIR: A party wishing to pay the interest on a mortgage held by a party in another city, goes to the bank and instructs the Cashier to issue a draft payable to John *L.* Doe and to mail it to John *L.* Doe, and pays for same, including exchange and postage. About six months after he learns that the party holding the mortgage never received the draft, and on investigation finds that the Cashier by mistake made the draft payable to John *J.* Doe, and that a party who was properly identified as John *J.* Doe presented the draft to the bank on which it was drawn and got the money on it. It has since been found out that this party was a tramp and cannot now be found. Who, in your opinion, should be out this money, the purchaser, the bank that issued the draft, or the bank that cashed the draft? Has there ever been a decision on a case of this kind? SUBSCRIBER.

Answer.—It is plain that the loss cannot fall on the person depositing the money with the bank. He left the money there with an express direction that it should be applied to payment for a draft to be issued to John L. Doe, and to be mailed to that person. The bank can discharge itself from liability to him only by showing that it complied with his directions. But this it cannot do, and it cannot set up its own mistake as an excuse for doing something else. But whether the loss must fall upon the bank issuing the draft or the bank cashing the same, must depend upon all the circumstances of the case. If the proximate cause of the loss was the mistake of the issuing bank, then that bank is the one liable; but if the loss is more directly attributable to negligence on the part of the other bank, the latter must bear the same.

DIRECTOR'S RIGHT TO INSPECT BANK'S BOOK.

Editor Bankers' Magazine: PITTSBURG, PA., July 12, 1903.

SIR: At your convenience, kindly give me your views on the lawful right of a director of a banking institution to make a personal examination, at his own instance, of accounts on the individual ledger of the bank. The impropriety is not questioned, but the legality of a personal inspection, as being in line with a proper performance of the duty of a director is upheld. The power of the board appointing an auditing committee to examine the accounts of the bank is not disputed, the contention being on the power and duty of a director to make, at his good will and pleasure, the inspection, without explaining to the executive officers the motive, or securing the consent of the board to do so. PRESIDENT.

Answer.—It would seem to be the legal right of each director to inspect all the books and records of the bank. In People *ex rel.* Muir vs. Throop (12 Wend. [N. Y.] 183), it was decided that the board of directors of a bank have no right to pass a resolution excluding one of its members from an inspection of its books, although they believe him to be hostile to the interests of the institution; and it was accordingly held that where the Cashier of a bank had refused to permit a director to inspector the discount book, that a mandamus lay commanding the Cashier to submit the book to his inspection; although the conduct of the Cashier had been approved by the board. The Court said: "The thirteen directors were elected by the same stockholders, at the same election, to hold for the same term, clothed with the same powers, invested with the same trusts—each to exercise his best judgment in the management of the affairs of the company. Suppose a difference of opinion exists among the directors, a majority must control; but if they are divided, say six against seven, is it competent for the majority to turn the minority out of the directors' room, and refuse them any information of the business transactions of the bank? Surely such an outrage could not be defended; nor can I conceive of any plausible apology for it. The directors, thus virtually ejected from office, might be the principal stockholders in the bank, and the majority might have very little interest therein, or might be hostile to the best interests of the institution. These are possibilities, but have little or nothing to do with the question of right. Every director has an equal right in regard to this matter." If a director misuses his right of access to the books, the only remedy is for the stockholders to remove him from office.

NEW YORK STATE BANKERS' ASSOCIATION.

TENTH ANNUAL CONVENTION TO BE HELD AT SARATOGA SPRINGS SEPTEMBER 9 AND 10.

The Council of Administration of the New York State Bankers' Association, which is composed of the officers of the association and the chairmen of each of the eight groups of banks in the State, met at the Montauk Club, Brooklyn, Wednesday evening, July 29, and discussed matters pertaining to the banking interests of the State.

The meeting was presided over by former Senator Stephen M. Griswold, of Brooklyn, who is president of the State association.

Among the matters discussed and which will be considered at the State convention, to be held at Saratoga on September 9 and 10, were: The question of admitting trust companies to membership; of paying interest on daily balances; the passage of a law by Congress for a more elastic currency, and the money order business, which is being done now by the express companies and the Post Office Department, and should be done by the banks.

The committee of arrangements for the Saratoga convention also met with the council of administration, and will issue in due time notices of reduced railroad fares, hotel accommodations for the convention, etc., which will be sent out to all the banks in the State.

The following gentlemen were present: Hon. Stephen M. Griswold, President Union Bank, Brooklyn; Charles H. Sabin, Vice-President National Commercial Bank, Albany; E. T. Johnson, Cashier First National Bank, Glens Falls; T. Ellwood Carpenter, President Mt. Kisco National Bank, Mt. Kisco; Frank E. Johnson, Cashier Bank of Suspension Bridge, Niagara Falls; Henry C. Brewster, President Traders' National Bank, Rochester; E. O. Eldredge, Cashier Owego National Bank, Owego; Willis G. Nash, Cashier New York State National Bank, Albany; Edward Elsworth, President Poughkeepsie Savings Bank, Poughkeepsie; Hiram R. Smith, President Bank of Rockville Center, Rockville Center; J. Edward Simmons, President Fourth National Bank, New York; J. H. De Ridder, Cashier Citizens' National Bank, Saratoga Springs; Lewis E. Pierson, Vice-President New York National Exchange Bank, New York; Elliott C. McDougal, President Bank of Buffalo, Buffalo; E. S. Tefft, Cashier First National Bank, Syracuse.

THE FOWLER AND ALDRICH BILLS.

[Address of Geo. J. Seay before the convention of the Virginia Bankers' Association, at Lynchburg, Va., June 19, 1908.]

Mr. President and Gentlemen of the Virginia Bankers' Association: It is possible that all of you may be familiar with the terms of the Aldrich and Fowler bills, which are now the most prominent measures for the reform of the currency and banking system before the country, and they may be said to be rival measures in many respects.

Having been in the banking business for more than twenty years, however, I am aware that the daily labors of a banker are, in most cases, too taxing to leave much time or inclination for the study of economic problems, especially such an abstruse problem as the currency, therefore it may be that many of you know the bills only in a general way, and possibly some of you here may not have read them. Since I am to discuss these bills it will be necessary to give you a brief synopsis of each.

The Aldrich bill, which was before the last session of Congress and which failed of passage, provided that all National banking associations, designated for the purpose by the Secretary of the Treasury, should be depositaries of public money under such regulations as might be prescribed, and that the Secretary might deposit in such banks money received from all sources, upon the giving of satisfactory security—and it provided that the Secretary might accept as security, besides Government bonds, the bonds of any State; the bonds of any city or county in the United States which has been in existence as a city or county for twenty-five years, and which, for a period of ten years previous to the deposit, has not defaulted in the payment of principal or interest, and which has a population of more than fifty thousand and whose net indebtedness does not exceed ten per cent. of the value of the taxable property; and also that the first mortgage bonds of any steam railroad company, which has paid dividends of not less than four per centum per annum on its entire capital stock for a continuous period of ten years, might be received as security. These are practically the conditions under which many of the Savings banks of the North are permitted to invest in railroad bonds; whether the Secretary should deposit to the amount of the par value of the bonds was left to his discretion. And in addition to all this the bill provided that the United States should have a lien on the current assets of the banks in which public money might be deposited, and probably one of the most far-reaching provisions of the bill was that banks might act as financial agents of the Government. The bill provided that the banks should pay interest on all their deposits by the Government at not less than 1½ per cent.—the rate to be fixed from time to time by the Secretary. It also provided that bonds to be issued for the building of the Isthmian Canal should be available for circulation upon the basis of the present two per cent. bonds.

The bill further provided, by an amendment to the present National Bank Act, that the Secretary, in his discretion, might retain in the general fund of the Treasury National bank notes received in the ordinary course of business or presented to the Treasurer for redemption, and pay out such as might be fit for circulation for any of the obligations of the Government, excepting principal and interest of the public debt. I have not seen this provision commented upon. The effect of this would simply be, as I take it, to postpone the final redemption of such notes by the banks of issue, and while not a matter of any particular consequence, so far as I can see, it is in my opinion an interference with one of the principles underlying the operations of a sound currency. This bill had very strong advocates in the last session of Congress. It was presented at a time when the Treasury was withdrawing currency in large sums from the channels of trade—at a time when trade was most active and currency most needed, and many people were then willing to vote for it, as they would have been willing to vote for any reasonable measure of relief, who did not wholly approve the bill. The bill was prevented from coming to a vote in the Senate. Very careful inquiry was made into the reasons for opposition. The objections which have been urged against it are somewhat along these lines:

The advocates of a credit currency were opposed to it upon principle, believing that it could not possibly effect any cure for the evils which are believed to be inherent in the present bank-note currency, but that it would tend to perpetuate them. It would stop the locking up of money in the Treasury, of course, but it would permit the substitution of State, city, county and railroad bonds for bonds now acting as security for Government deposits and would render the Government bonds available as security for additional circulation, and since they believe that a bond-secured circulation can never be adequate for trade purposes, additional circulation under the present system could not do more than give temporary relief, which would obscure the vital principles at issue. Western banks as a rule, and many banks in other parts of the country, were opposed to this bill because the payment of interest on Government deposits would render such deposits secured by Government bonds unprofitable, and would, therefore, cause a heavy loss in the market value of the bonds. They thought that the passage of the bill would tend to the concentration of Government deposits in New York and the East where the banks could probably borrow the State, city and railroad bonds to be used as security without the necessity of investing their capital in them. The effect of the passage of this bill would have been this:

The payment of 1½ per cent. on deposits secured by Government bonds yielding only 1.60 to 1.75 at prevailing prices, while banks were compelled to keep twenty-five per cent. or even 15 per cent. reserve on their deposits, would have resulted in actual loss on such deposits. The deposits would have been surrendered in such cases, and probably would have gone to New York or other large Eastern cities. It is probably true that any act on the part of the Government which would seriously affect the value of Government bonds, which had been sold by the Government itself at a value which it could not otherwise have obtained for them but for the uses which the Government itself created for the bonds, would be an unjust act. It has been, therefore, suggested since the Aldrich bill failed to pass, that the Government, if it should exact interest on deposits, should exact it only upon the deposits secured by other than Government bonds.

Calculations will show, however, that such deposits are likely to be unprofitable to such banks as would have to become the holders of such bonds by purchase.

I have prepared a table showing what would be the probable profit or loss on Government deposits at 1½ and two per cent. secured by three per cent. or four per cent bonds of such a character as the Government would receive, based upon the supposition that the Government would deposit say only three fourths of the value of the bonds, and setting aside fifteen per cent. reserve against the deposits. I have supposed that the three per cent. bonds could be purchased at par and the four per cent. bonds at 105. As a matter of fact, however, the market prices would very likely be higher on the average. The annual profit on the three per cent. bond transaction, paying the Government two per cent. would, on a deposit of $100,000, be $50, with money at four per cent., and a loss of $675, with money at six per cent. Paying the Government 1½ per cent. the profit, with money at four per cent., would be $425, and a loss of $300 with money at six per cent.

The result of the four per cent. bond transaction, paying the Government two per cent., would be a profit of $850 annually, with money at four per cent. and $25 with money at six per cent. Paying the Government 1½ per cent. the profit, with money at four per cent., would be $1,225, and with money at six per cent. $400, a maximum profit of about 1 1-5 per cent. and a possible loss of ⅝ of one per cent. The market variation in the price of the bonds would not justify the venture, if made for the purpose of securing Government deposits for profit.

There are other objections to be urged against the Government requiring interest on deposits—and against the terms of the Aldrich bill. The minimum rate in that bill was fixed at 1½ per cent. In the report of the Banking and Currency Committee accompanying the Fowler bill, the criticism of this point expresses the opinion that making the rate variable, "To be increased or decreased at the pleasure of the Secretary, must necessarily result in intense rivalry, bitter criticism, and constantly subject the Treasury to endless scandal."

It is believed that this would result in competition for deposits, and it would certainly, in my opinion, tend to excite the desire for interest on deposits in quarters where interest has not heretofore been paid. It would also tend to keep the interest rate for loans on a higher level, and while this, from the standpoint of a lender, is not an unmitigated evil, if it should result in making banks pay more interest on deposits generally, there would be no benefit to them, and in any event it is, in my opinion, injurious to the interests of the people and a hindrance to commerce, in that it would, as I have said, tend to keep interest on a higher level.

Government deposits, under such conditions, would be most profitable, like the present bank note circulation, when and where money might be cheapest. Of course, if the Government were to deposit to the amount of the par value of the bonds received, the results given would be modified. The maximum annual profit, under the conditions given, on a deposit of $100,000 would then be $1,700, or 1.7 per cent. and the minimum profit $100. This would, however, not alter the fact that the deposits would be most profitable when and where money might be cheapest. The results given, it is to be understood, would apply only in cases where the bonds would be purchased for the purpose of securing deposits. In cases where banks would in any event hold as investments bonds of the character specified, the illustration would not apply. It must be observed, however, that banks in such cases would be likely to hold the bonds not only as investments but as a kind of second reserve, to be sold in emergencies and applied to the payment of deposits when demanded, and that in such an event the bonds would not, of course, be available if held as security for deposits.

The Fowler bill provides that any National bank may issue twenty-five per cent. of its capital in circulating notes without depositing United States bonds, or any other security—credit currency based upon its own assets in its own hands—but that it shall maintain a reserve against these obligations just as it is required to do against deposits, the nature of the obligation being in no material respect different from a deposit obligation.

It also provides that the bank shall deposit with the Treasurer a five per cent. fund, as at present, which fund may consist of United States bonds, gold coin, or United States notes, and shall be counted as a part of the reserve required to be maintained. The fund is not to be used for current redemption of the notes, however, but is to be held as a guaranty of final payment. A tax of one-half per cent. per annum is to be paid on the circulation and added to this five per cent. guaranty fund. It is further provided, that the notes shall be a paramount lien upon the assets of the issuing banks. It has been objected that this paramount lien would be unjust to depositors, but surely such objectors do not fairly take into account the fact that, under the present bank-note system, an amount equal to the notes issued is taken

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out of the assets at the beginning and invested in United States bonds and set aside and held by the Government. The most that can logically be said is that in the case of any bank, at least that amount of its assets would thus be securely invested, whereas, if all of its assets had remained in its own hands, the whole might have been lost. As against depositors however, this argument, which is hardly a practical one, would not apply, for in that case they would be bound to lose in any event. It is the note holder who would then also be dawn into the loss. It is proposed, however, to protect the note holder by a guaranty fund and the levy of a tax which the experience of forty years of National banking has proved would produce four times the amount necessary to protect him. The present Secretary of the Treasury in his last annual report gives it as his opinion that it would not be necessary to make such currency a first lien upon assets in order to assure absolute safety to the note holders. He states that for one-eighth per cent. "premium on insurance" the Government could afford to guarantee such notes, and would make a profit.

The present Comptroller says in his annual report that "the period covering the whole history of the National banks is long enough to have established reliable averages, which can be as safely counted upon as the average upon which the vast insurance business of the world is done."

The Fowler bill does not, however, make the Government a guarantor of the notes, but it does make the notes a first lien upon the assets of the banks, which, as I have stated, both the Secretary and Comptroller believe to be unnecessary to insure safety. The bill provides that all banks located outside of certain redemption cities, which are designated as New York, Chicago and San Francisco, shall redeem their notes over their counters in lawful money, but that banks in the redemption cities named shall redeem all of such notes in gold coin or United States notes, and that banks outside of these cities shall select some bank in them as a redemption agent. This is a practical and wise provision, in my opinion. It would tend to concentrate the coin reserve of the country in the cities named, which I believe would be beneficial to international commerce and to the country at large. I have prepared a statement classifying the money of the country in the hands of the banks and in circulation among the people, which shows the amount of gold coin in the banks of the country of July, 1902, to have been $296,000,000 and gold certificates $132,000,000, while the gold coin supposed to be in circulation among the people amounted to $335,000,000 and gold certificates to $173,000,000.

I do not think that I am overstating the matter when I say that our currency system is wholly unscientific and the most wasteful system in use in any great country. This gold in circulation among the people should be in the hands of the banks as a reserve for deposits or bank-note circulation, and available for the settlement of international balances. Where is this gold circulation—who ever sees it? And why is it hidden away or hoarded? Is it distrust of our currency and banking system? I think it is.

The figures given are in some respects estimates, because it is impossible to obtain full information necessary to an absolutely correct classification. The Government statisticians give the amount of circulation in the hands of banks which they were unable to classify, as $28,000,000. To this extent only, therefore, is the classification approximate. This amount of coin may not be among the people, but it is supposed to be.

The Fowler bill provides that all National banks redeeming their notes at either of the cities, New York, Chicago, or San Francisco, shall constitute a redemption district, and that if any National bank in one district shall receive the notes of a bank in another district, it shall not pay them out, but shall forward them to some bank in the district to which the notes belong, or to its own redemption agent, which shall so forward them. This is a comparatively simple matter in its practical working. The engraved notes would undoubtedly show on their face plainly at what bank they were redeemable, which would determine the district.

It is a fact which is seldom commented upon, so far as I have seen, and one which possibly has been forgotten, that the original National Bank Act, sections 5191 and 5195 of the Revised Statutes, provided that National banks located in certain reserve cities should keep on hand in lawful money twenty-five per cent of the aggregate amount of their notes in circulation and their deposits, and that other banks should keep fifteen per-cent.; three-fifths of this reserve of fifteen per cent. then, as now, might consist of balances kept in the reserve cities. And this is the further point to which I wish to call attention. Banks in all the reserve cities named were required to select a bank in New York city as agent for the redemption of their notes, and banks outside of the reserve cities required to select some bank in them as redemption agents.

When the Congress—or the people—by an amendment to the Bank Act abolished this provision as to redemption agencies and substituted a five per cent. reserve with the Treasurer for a more conservative reserve in their own vaults, they departed from one of the essential principles of a sound currency, although it was a hardship to require the banks to invest their capital in bonds for the security of circulation and then require them also to maintain a twenty five per cent. or fifteen per cent. reserve. It is curious that the present tendency is to go back to first principles.

While, as I have stated, the Fowler bill does not make the Government a guarantor of the new notes, it provides that in the case of a failed bank the notes shall, upon presentation to the Treasury, be paid out of the guarantee fund, and it provides also that if that fund shall fall below an amount equal to three per cent. of the outstanding notes an extraordinary tax may be imposed, not exceeding one per cent. in any year, but such extraordinary tax shall be refunded when the guaranty fund shall be again raised to five per cent. The reason for not providing for the redemption by the Treasury of notes of banks in active business is because it is desired to take the Government out of the banking business as far as possible, and leave the redemption to be managed by the banks, upon whom the burden properly belongs, and by whom it can be better managed, possibly through the clearing-houses of the redemption cities. The bill further provides that the Secretary may deposit any public money received, from whatever source, in designated depositaries, without security—but such deposits shall not in any case exceed seventy-five per cent. of the capital of the bank, and shall be, along with the circutating notes, a paramount lien upon the assets. If this should be objected to on grounds similar to those advanced against giving to circulating notes a prior claim upon assets, to which I have alluded, the same answer would apply, in any event, under existing law, sections 3466 and 3467 of the Revised Statutes, the Government has a preferred claim upon the assets of any insolvent debtor.* The Fowler bill fixes the rate of interest to be paid on deposits made under the provisions thereof at two per cent., and the rate is fixed for the reason which the report on that bill gives in very strong language, and which I have quoted.

The arguments which I have advanced against the payment of interest on Government deposits would also apply in this case, but, of course, the question of profit on the deposits would not come in, as in the case of the Aldrich bill, where banks are required to put up certain bonds as security. The Fowler bill also required that the bonds to be issued for the Isthmian Canal shall be available for circulation upon the basis of the present two per cent. bonds.

* Section 3466, which gives the United States a priority for all claims it has against insolvent debtors, does not apply to the case of an insolvent National banking association (Cook County National Bank vs. United States, 107 U. S., 445).—Editor BANKERS' MAGAZINE.

These are the essential features of the two bills. There are other details to which I have not thought it necessary to allude.

I know the Fowler bill does not embody all the principles for which Mr. Fowler has been contending for some years. It does not, I think, begin to go far enough, in his opinion. It was drawn with the view of containing, I believe, only such provisions as it was thought possible to pass through Congress at the time, when some measure of relief was greatly needed. After the introduction of the Aldrich bill, it was amended by providing for the deposit of any money received by the Treasury from whatever source, a very important and much-needed provision. The provision for the payment of interest on Government deposits was then also added. While the Fowler bill, like the Aldrich bill, would release Government bonds, now security for deposits, and render them available as security for circulation, the Fowler bill provides for injection into the present system of a currency which can promptly be issued when most needed, and which it is believed will be promptly presented for redemption, without restrictions or limitations, when actually not needed in trade channels, an elastic currency—and there are good grounds for believing that it would prove so.

The aim of the Aldrich bill is rather to increase the currency, and the aim of the Fowler bill to inject an element, the operation of which will improve it. It is of as great importance to provide for the prompt redemption of bank-note currency when it is not needed, as it is to provide for its issue when the demand is urgent.

Our present system, as you know, places a limit upon redemption of bank-note currency of three millions in any month.

This is a wholly unsound principle, and it is a matter of astonishment that the law has been allowed to remain in force so long. It prevents the issue of currency when needed and prevents the retirement when in obedience to the natural laws of trade, it would and should be retired. It is a system of forced circulation. The Secretary, notwithstanding the most strenuous efforts to increase circulation last fall, up to November 1 was able to add only $20,000,000 for the year to the National bank notes outstanding. He states absolutely that fully $50,000,000 increase could have been secured had the law permitted its retirement when not needed. It was not profitable to issue it, and the banks, therefore, would not issue it. The reasons for the enactment of the law were briefly these: When the law was passed in 1882, banks reducing their circulation by the deposit of lawful money were not subject to assessment for the cost of transportation and redemption of the notes, the effect of which was that many banks took advantage of the situation to deposit lawful money for the retirement of notes which, in the natural order of things, would have been retired by means of the five per cent. redemption fund, and thus threw the expense of redemption upon the Government and the other banks, and having thus provided for the redemption of a certain amount of circulation, would proceed to increase it in a like amount, thus bearing none of the expense incident to redemption. Another reason was at that time the lawful money deposited by reducing banks for repemption of the notes was required to be held as a trust fund available only for redemption of those particular notes sought to be retired, thereby locking up in the Treasury an amount of lawful money equal to the amount of notes which it was desired to redeem. On several occasions this trust fund amounted to over $100,000,000; both of these evils have been remedied, money now deposited for redemption being covered into the Treasury and the notes being redeemed from the general cash.

The present Treasurer and Comptroller both advocate the repeal of this law.

Neither the Fowler bill nor the Alrich bill provides for it. It is in my opinion a very important matter, requiring immediate correction. During the past six years the general stock of currency has increased $715,000,000; the currency in circulation among the banks and people has increased $545,000,000; National bank notes have increased during that time about $180,000,000, gold and gold certificates $274,000,000, silver, etc., $120,000,000. United States and Treasury notes (in circulation) have decreased about $40,000,000.

Any severe reverse in trade would witness the greatest accumulation of currency in banks the country has ever known. This would, in all probability, tend to heavy exports of the standard metal—gold—since money would be extraordinarily cheap. I repeat, we must have facilities for retiring a redundant currency, and this is where the evils of a Government-made legal tender and semi fiat money come in. We may not be suffering perhaps just now, at least not sensibly, from too great an amount of currency, but I believe it to be true that a redundant issue of semi-fiat and bond-secured currency a few years back has helped to get us into the present state of dangerous expansion. That most able journal and very high authority, "The Commercial and Financial Chronicle," in its issue of May 23, expresses this opinion. It will probably interest you to know that the cash in the hands of all the banks in the country at the latest date to which such statistics are available, that is, July, 1902, was less than nine per cent. of the deposits—to be accurate 8.68 per cent.—a ratio smaller than in any period for ten years. The National banks hold 18.58 per cent. of their individual deposits, and the State banks, including Savings banks, 4.17 per cent.; deducting the liabilities and cash of the Savings banks, all other State banks held 6.25 per cent. of their deposit liabilities, making the average of National banks and the commercial State banks 11.86 per cent. While this shows a very high degree of trade activity, it also shows a ~~very high~~ degree of expansion. The deposits of all the banks of the country have increased from four and one-half billion in 1898 to nine billion, seven hundred and seven millions in 1902, and the cash holdings from five hundred and fifteen millions to eight hundred and thirty-eight millions. Our smaller neighbor, Canada, who does business pretty much as we do, with bank deposits of three hundred and ninety millions, had thirty-five millions, or nine per cent. in cash on hand; including the note issues of the banks, which amount to about fifty-five millions, based on assets, the banks had 7.90 per cent. of total liabilities.

The currency of this country in circulation has increased since last July up to June 1 one hundred and thirty-three millions, the full amount of which is in active use among the people; at least, the National banks at the date of their last statement, April 9, did not hold any of it, their cash holdings being five hundred and eighty-one millions, against five hundred and ninety-seven millions in June of last year. It is reasonable to suppose that the State banks are in a like condition. In the meantime loans and deposits have increased, and it is, therefore, highly probable that the ratio of cash to deposits is still smaller at this time.

The increased issue of National bank notes at this time is of very doubtful expediency. They have increased $24,000,000 since March 1 up to June 1. Their issue has increased loans and in the usual way effected an increase in deposit liabilities, calling attention to the diminishing reserve. Money has been cheaper and the refunding plan of the Secretary has made it profitable to issue notes; they have, therefore, been issued, it being only required to maintain in the hands of the Treasurer a five per cent. reserve against them.

As between the Fowler bill and the Aldrich bill, I unhesitatingly pronounce in favor of the Fowler bill.

It provides for the safety of the asset currency to be issued upon a plan the adequacy of which no man can dispute after examination of the facts of experience. It does not, as I have before stated, provide for the guarantee of the currency by the Government. Most of the foremost advocates of credit currency are against guarantee by the Government, and in principle they are right, I think, beyond any doubt. Nevertheless, since in this country the Government is the guarantor of the payment of the legal-tender notes—the greenbacks—the guarantor of the silver currency worth less than forty cents on the dollar, the guarantor of the National bank notes—I say guarantor, it is practically that—I believe it would serve a practical purpose to guarantee the asset currency, although I do not believe it is necessary to its safety. The masses of the people who have a billion and a half currency circulating among them would not be as ready to think so. I have stated that the amount of gold coin and gold certificates supposed to be in circulation among the people is over $500,000,000 ; and it is natural to believe that the distrust which heretofore existed, and which I believe still exists, and perhaps rightly exists, among the people, has much to do with it. This coin would be of far greater value to commerce in the hands of the banks. It would answer as a safe reserve for two billions of dollars of deposits, or bank notes if they were needed. Any system of currency which keeps it in hiding is a tremendously wasteful system. It is probable that the guarantee of the Government on all currency—all of it redeemable in gold—no other guarantee would answer—would gradually draw the gold out from hiding places and into the banks.

In discussing the bills under consideration it serves a purpose to state what they lack as well as what they contain. Many provisions which I believe to be absolutely essential to effective and lasting reform of the currency are not in these bills. In my opinion the report of the Finance and Currency Committee of the New York Chamber of Commerce, consisting of John Harsen Rhoades, George G. Williams, Jacob H. Schiff, Charles S. Fairchild and Lyman J. Gage, which report was made in December last, and can be obtained in pamphlet form, embodies the essential principles which must be enacted into law to cure the evils, which, beyond any doubt whatever, now exist in our present currency. The report says in part: "As to the proposition so often and sometimes persistently made, for a special 'emergency currency,' your committee is of the opinion that this may have a legitimate place in a properly safeguarded general system of credit currency; standing by itself it would, when availed of, only increase the distrust and difficulties, to allay which, ostensibly, would be its purpose. We must come right down to the proposition that the only thing which can be done to make our financial system safe and sound and solid, is to get down to one legal tender, and that is gold, and then to bank upon a currency circulation enlarged upon the present authorized issue of the National banks, and based upon the credit of the legitimate trade of the country, and rigidly safeguarded under the law. This is the only true solution of the problem of the currency that we can see; we believe that this can be made perfectly safe; we believe that it will prove of immense advantage to the country, and believe it to be to the best interest of the whole people that it should be established."

It is the only true solution that anybody will ever see, gentlemen. Any currency bill which stops short of making all forms of currency in the country redeemable in gold, the accepted standard of the principal nations of the world, would leave out the one essential principle of a sound currency, that it shall be redeemable in a standard of inherent fixed value. To this end it should be provided in language less equivocal than our present law that gold should be exchanged for legal-tender silver dollars whenever presented to the Treasury for that purpose, under such regulations as may be provided.

I am aware that there is considerable difference of opinion on this subject. It is advocated by the committee of the New York Chamber of Commerce, which I have quoted. The report of the Secretary of the Treasury Shaw is unanswerable on the subject, in my opinion. The reports of both the Secretary and Comptroller are filled with any amount of valuable and necessary information, without a knowledge of which no man ought to form a final opinion on the currency. They are also filled with sound arguments on the currency, in my opinion. The Secretary calls attention to the amount of fiat in the two forms of currency, National bank notes and silver dollars. National bank notes are redeemable in lawful money, which may mean silver dollars, and silver dollars themselves are worth under forty cents in gold. He figures the amount of fiat in these two forms of currency at $565,000,000. He calls attention to the fact that "Not only current obligations of the Government, but all contracts between citizens, and all bills of exchange, domestic and foreign, payable in United States money, are dischargeable at the option of the payor (except where otherwise expressly provided) in money coined on Government account, and at fully thirty-five per cent profit to the Government, the bullion value in which is worth less than forty cents on the dollar." He says further that the peril in this may be averted for a time and possibly for all time.

We are still coining silver dollars at the rate of a million and a half per month. It ought to be stopped. Not a single sound reason can be advanced for its continuance, especially when the bullion is needed for subsidiary currency.

The Secretary further states that "the reason assigned why the exchangeability of gold and silver should not be established, is that it would entail so large an obligation that the national credit would be endangered. This concedes the argument, but pleads the preference that the Government, which has coined the silver and profited thereby, shall be protected regardless of possible danger to the citizens and the perils to business."

The statute now provides that parity between all forms of money shall be maintained, but it does not provide that gold shall be exchanged for silver if demanded. I will quote the Secretary again: "I am not unmindful of the claim that parity will naturally continue so long as the Government accepts silver in payment of revenue. If this be true, there would be no danger to the Government should the two coins be made interchangeable. * * * At the present time the Treasury furnishes all the gold needed, whatever the purpose for which it is demanded, and certainly no more would be required for commerce, and not as much for hoarding, should all doubt as to the status of silver be removed. On the contrary, if all forms of money were made the equivalent of gold, then all occasion for hoarding one coin more than another would vanish, and the danger to the Treasury would be diminished instead of increased." This is precisely the argument which I have advanced in this discussion.

Finally, I will quote ex-Secretary Gage on this point. He says: "We ought not to be squeamish about meeting the parity in a square, straightforward manner. It is thus discredited more than the facts warrant, and if you ask the people of the United States to have perfect faith in the parity of these two metals * * * then the Government of the United States, that is responsible for the situation as it is, itself must set the example.

Now here is an illustration. The act of March 14, 1900, was passed; the House bill proposed to make the two metals exchangeable with each other at the Treasury. The Senate amended it. Why? This is the question that every financial man in the United States asks. Why? If you, the Government, are afraid, can you expect us to have more courage than you possess? Do you ask us to have confidence when you yourself will not lay down the basis for confidence? You complain all the time about the wicked money sharks and their discrimination against silver. They can and will answer, 'Cease to discriminate against it yourself and we will no longer discriminate.'"

If I continue to discuss points which are not in the Fowler and Aldrich bills, but which should be there, or in some other bill, I will consume the whole time of the convention. I will, therefore, bring my "remarks" to a close.

One thing further I will say, however. The banking business has furnished the most efficient currency the world has ever known—check currency—by means of which nine tenths of the domestic trade of this country is carried on. It has come into existence from the necessities of the situation—the outcome of the operation of natural laws—and any man who will carefully consider what it is the banks do day after day, year in and year out, and think it out to a conclusion, and who will deny that the bank is the proper agent, and the only legitimate agency for the issue of a trade currency, has a genius for going astray.

The requirements of a sound currency are few and simple—the operations under which it performs its mission are, however, extremely complicated. Broadly defined, these requirements may be said to be:

1. It must represent value.
2. It must be redeemable in a fixed and accepted standard—in gold.

THE DEFINITION AND HISTORY OF TRUST COMPANIES.

[A paper read before the Chicago Chapter American Institute of Bank Clerks, by Clay Herrick, President of Cleveland Chapter, and Assistant Treasurer City Trust Company, Cleveland.]

We are to confine our discussion to-night to two topics, the definition of trust companies and an outline of their history.

It must be observed at the outset that it is quite impossible to give a description of the trust company that will truly describe all institutions known by that name. The laws of the different States vary widely in the functions which they allow these companies to exercise. And even in the same State, it is not unusual to find some companies in the possession of charters granting powers quite different from those given to other companies. In my own State of Ohio, for example, trust companies incorporated some years ago are allowed a much wider range of privileges than are those of recent years. Aside from the law in the matter, different companies are constrained by the peculiar conditions of their location, of the line of customers whom they serve, of the customs of their neighborhood, and of the business that most naturally and easily comes within their reach, to do the bulk of their business along various lines.

Hence we find some companies doing a business that is mainly that of the ordinary Savings banks; some add to this a large commercial business, including, in some States, the discount of paper; to these functions some add a considerable business in the handling of the affairs of corporations, as fiscal agent, registrar, transfer agent, intermediary in the formation or reorganization of corporations, the holding of funds or papers in escrow, and so on; and others have a large responsibility in the care of estates and in the performance of sundry duties, as trustee for individuals, companies, syndicate managers, etc. In a few instances, mainly in the East—in one case here in Chicago—trust companies restrict their operations to those which are trust functions as distinguished from ordinary banking functions; but instances of this are becoming fewer, and the growing tendency of trust companies to encroach upon every department of the banking business except that of note issue is causing an increasing amount of apprehension on the part of officers of both State and National banks.

It is evident, therefore, that to call an institution a "trust company" is to describe its exact functions no more than one could describe a manufacturing concern by calling it a "manufacturing concern." It might manufacture pins, or locomotives, or paper dolls, and still be a manufacturing concern. So a company may be a Savings bank, a commercial bank, a manager of estates, a safe deposit company, a title insurance company, a trustee for individuals and corporations, and so forth, and be called a trust company. It may be two or more of these, or all of them, and be a trust company.

What a Trust Company Is

Nevertheless, it is quite possible to define a trust company in a way that correctly describes its distinctive features, because we may take these companies at what they are potentially—at what they may be if they please and can get the business.

With this in mind, we will say that a trust company is a corporation empowered to exercise, in addition to ordinary banking powers, a large number of fiduciary or trustee functions. The name "trustee company" would better describe its character It may undertake practically any duty that one man is apt to entrust to another in regard to financial matters; and in some States may even act as the guardian of the persons of minors or incompetent adults. It has been aptly styled "The department store of finance."

The typical trust company is divided into departments, the most usual division being a three-fold one, into banking, trust and safety deposit departments. In some companies, these departments are again subdivided. Other departments sometimes found are the bond department, for the sale of bonds and other first-class securities; the escrow department, where money, property or papers are held to be delivered to a third party upon the fulfillment of certain conditions; the real estate department, in which the company acts as agent to buy, sell, rent or manage real estate; the title insurance department, for the insurance of titles to real estate; the fidelity insurance department, in which the company acts as surety on bonds. The two functions last named are not, in most States, undertaken by trust companies, but are carried on by separate title insurance or fidelity insurance companies. But one of your large companies in Chicago combines the trust and title insurance business, and many trust companies in Pennsylvania include fidelity insurance.

Various Functions of Trust Companies.

Of course, the department which gives to these companies their name, and that which distinguishes them from banks proper, is the trust department; and this is the only one which we need consider at all in detail. The functions of this department are many and various, and we have time to name only a part of them.

Courts are authorized to appoint trust companies as administrators and trustees of estates, and they may act as executors and trustees by appointment under will. In these capacities, the company takes entire charge of the estate just as an individual would. The fees are never more than are allowed to an individual acting in a like capacity, and are fixed by law, varying somewhat in different States.

Trust companies may be appointed guardians of minors and conservators or committees of estates of insane or feeble minded adults; and in some States may be guardians of the person as well as of the estate. Such companies may also act as assignees of failed concerns, or as Receivers of embarrassed ones; their duties in such cases being the same as would devolve upon individuals having such appointments.

An important field of work which is coming to be almost exclusively in the hands of trust companies is that as transfer agent and registrar for stock issues of corporations, whose stockholders are thus protected against any overissue or irregularity of issue of stock. These companies are quite commonly trustees for bond issues, certifying to the genuineness and regularity of such issues. The public seems to be not always aware that a trust company, acting in any of the three capacities last named, makes no guarantee of the payment or value of such securities, its guarantee extending only to the genuineness of the documents and the regularity of the issue

The cases in which trust companies are called upon to act as trustee or agent under private agreement are numerous and diversified, including services for States, municipalities, railroads, individuals, partnerships, committees and corporations. Very often they are called upon to hold money or papers in escrow, pending the performance of contract between the original parties. Voting trusts, syndicate managers, individuals or committees acting as temporary trustees find them useful fiscal agents. In bond issues they are made agents for the payment of coupons. Their services are utilized for the collection of stock or pool subscriptions payable in installments as called, and for the distribution of funds in similar cases.

Individuals use the trust company in an increasing number of ways. The man who on account of advancing years feels himself losing the power to look after his own interests in the best manner finds in such a company a capable and responsible agent. If he contemplates a trip abroad or a winter in the South or in California, the trust company will look after his affairs in his absence. The uncertainty of having one's will carried out as intended has led to a growing custom of turning over a part or all of one's property to a trust company under a trust deed, thus doing away with the possibility of litigation over a will after death, as well as avoiding the worry of business in old age.

Widows, married women and others not accustomed to business place their affairs in the hands of the trust company, and thus receive an assured income without the risk and anxiety that would come with an attempt to look after them in person.

Most Eastern trust companies, and some Western ones, as those in St. Louis, carry on a considerable business in the financing and promotion of enterprises. This has not been done by Chicago companies, and I find that the feeling here on this question is quite conservative. Undoubtedly it is a field of effort that requires great care if the company is to be always on safe ground. A certain part of this work may, however, be undertaken with no element of risk. When a new enterprise is proposed, someone in whom the public has confidence must investigate it and report, or else each prospective investor must go to the expense and effort of investigating for himself. Someone must see that the new corporation actually has the property it represents itself as having; that its title is good; that the securities offered to the public are correctly drawn and that they offer real protection to the purchaser; in short, that the whole proposition is legitimate and made in good faith. This service the trust company may perform with no risk, provided, of course, that it does not assume any guarantee for the payment of the securities. Regarding the other things that may be done there is more room for discussion—the placing of the securities among the "camp followers," and the subscription to a larger or smaller amount of them by the company itself.

Without pretending to cover the entire ground, we have by way of definition stated some of the things that a trust company is. The attempt has been to state what it actually is in practice—not what it is in theory or in the original intent of trust company legislation. And please note that it is a temporary definition only, but one which I have tried to bring up to date. While the theory is the same, in actual practice the trust company of to day is not exactly what it was ten years ago, as one may perceive by reading a description of one written at that time; and it is probably not just what it will be ten years hence. So rapidly do we move in these strenuous days!

The History of Trust Companies.

It will now be interesting to take up the second part of our subject and to trace in outline the history of trust companies. To the student of history, who is accustomed to trace the growth of institutions through a series of generations or centuries, or even of thousands of years, the development of the trust company is little short of marvelous. As has been stated frequently, this development has come within the past seventeen years, and much of it within the past ten years. This is true, as we shall see, in spite of the fact that a few such companies existed as far back as the third decade of the nineteenth century. Prior to 1885, the encyclopedias—supposed as they are to contain information regarding everything of more than mere local interest—did not even mention the term "trust company." The Trust Company Section of the American Bankers' Association was not established until 1897. Ten years ago a prominent trust company official called attention to the fact that "There is not to be found fifty pages of literature concerning trust companies," and, aside from circulars issued by various companies as advertisements, the statement would not be much of an exaggeration to-day.

Two companies claim the distinction of having been the first trust company in the United States—which means the first in the world, since these institutions as we know them have not been developed elsewhere. These are the Pennsylvania Company for Insurance on Lives and Granting Annuities, and the Farmers' Fire Insurance and Loan Company, now the Farmers' Loan and Trust Company, of New York.

Gathered about a table in a Philadelphia coffee-house—the club of those days—in the winter of 1809, a party of gentlemen determined upon the formation of a company for insuring lives and granting annuities. Three years later—in 1812—the charter was secured, and the company began a business which steadily grew. During the first twenty-four years, however, its business was in no sense a trust business as we know it, the functions exercised being along the lines indicated in the name of the company. The question of taking up trust functions was first considered in 1829, and then the suggestion came from India. Institutions called "agency houses" had been in operation there, which transacted business for trustees or individuals, received moneys on deposit and administered estates. The Pennsylvania Company decided to get its charter amended, if possible, so as to permit the undertaking of a similar line of business. It was not successful in doing this until 1836, when the Legislature authorized it "To accept and execute trusts of every description. To be appointed trustee, assignee, guardian, committee and receiver. To receive moneys or other property, real or personal, in trust or on deposit, to accumulate the interest thereon, or to allow and pay the same."

The same powers were given in the same year to the Girard Life Insurance, Annuity and Trust Company. Power to act as executor and administrator was not given to the Pennsylvania Company until 1853, nor to the Girard Company until 1855.

Not until 1865 did these two companies have any competitors in the State. In that year a decided boom in the formation of trust companies in Philadelphia began, which spread over the State, and during the next eight years thirty-seven or thirty-eight charters granting trust powers were given; but none of these companies appear to have engaged in the trust business at this time. This period marked the separation of trust business from that of insurance, and the two lines began to be conducted by distinct companies. The undertaking of fidelity insurance by Pennsylvania companies was also begun at this time. The Pennsylvania Company has continued in increasing prosperity down to the present time, having now deposits of some sixteen millions, while its trust funds exceed one hundred and fifty millions. Its original capital of half a million has been increased to two millions.

It was in 1822 that the Farmers' Fire Insurance and Loan Company was incorporated in New York city, "as well for the purpose of accommodating the citizens of the State residing in the country with loans on the security of their property (which cannot now be obtained without great difficulty) as to insure their buildings and effects, and those of other persons, by loss from fire, and also for such other useful purposes as are hereafter specified. Later in the same year the company was given power to accept and execute all lawful trusts created by deed or devise.

Thus while the Pennsylvania company was incorporated ten years before this New York company, the latter received power to engage in the trust business fourteen years before the Pennsylvania company, which, as already stated, did not receive the grant of such powers until 1836. It thus appears that the Farmers' Loan and Trust Company of New York may fairly claim to have been the first company to actually receive trust powers, while to the Pennsylvania Company for Insurance on Lives and Granting Annuities may be granted the distinction of having been the earliest to incorporate.

The New York Life Insurance and Trust Company was chartered with trust powers in 1830; the United States Trust Company in 1853, and the Union Trust Company in 1864. In 1884, sixteen such companies existed in the State of New York. The first trust company in Boston, the New England Trust Company, was chartered in 1869.

The oldest trust company in Chicago, which is also the oldest bank in the State —the Merchants' Loan and Trust Company—was chartered in 1857; but while it acted as trustee in a few cases in early years, it did not establish its trust department until about three years ago.

Time does not permit of our following the history of trust companies from the beginning down to date. If it did, we would only be impressed the more with the fact that the trust company movement, as we know it, has practically been developed within the last score of years. These early companies did not do a large trust business; and their number was so small that they were hardly a factor in the financial world. Their peculiar powers were not "considered of sufficient importance to constitute an independent business of itself, or to establish a peculiar institution." As we have already seen, the business was for long years regarded as merely a minor function of insurance companies, from which it was not separated until after the Civil War. Like the insurance business, too, the movement began as a semi-philanthropic enterprise.

Along in the eighties, trust companies began to attract some attention, and during this decade a large number of States passed general laws providing for the incorporation of such companies, or revising the laws already in existence so as to more clearly define the powers of these companies. This was done in Pennsylvania in 1881; in Ohio in 1882; in New York and Illinois in 1887. An excellent study of this whole question with tables showing legislation on the subject, has been written by George Cator, published by the "Johns Hopkins Press," Baltimore.

Growth of Trust Companies and Its Cause.

The phenomenal growth of trust companies during the past ten years is strikingly shown in an article in the "Review of Reviews," for November, 1902, by Charles A. Conant, on "The Growth of Trust Companies." As there shown, the number of such companies in the United States increased from 171 in 1891 to 417 in 1902; their capital, from 79 millions to 179 millions; their deposits, from 355 millions to 1,526 millions. That is, the deposits have multiplied more than four times in ten years! And the larger part of this increase has been since 1897, or within five years. Comparing the growth of trust companies with that of National banks in New York city, Mr. Conant's figures show that in the five years from June, 1897, to June, 1902, the individual deposits of the clearing-house banks increased from 597 millions to 960 millions, or forty per cent.; while those of the trust companies increased from 305 millions to 761 millions, or 150 per cent. The percentages are a little misleading, since the trust companies were just beginning their development in 1897, while the clearing-house banks were established institutions. The relative growth is better seen by comparing the actual gain, expressed in dollars. That of the clearing-house banks was 363 millions, while that of the trust companies was 455 millions.

While it is true that the New York trust companies have made greater strides during these years than those of most of the other cities of the country, these figures show what may occur elsewhere, and explain why trust companies are beginning to attract so much attention. The report of the Comptroller of the Currency for the year ending June 30, 1902, shows that the capital and surplus of trust companies in the Eastern States was 229 millions. The Middle States came next, with 60 millions; then the New England States, with 35 millions; the Southern States, with 17 millions; the Pacific States, with 6 millions, and the Western States, with 1 million.

If we seek the causes of the growth of these institutions, I think that we shall find them in the tendencies of our age. The trust company does not mark a revolution in our financial institutions so much as it marks an evolution. It has grown because it met a distinct need of the people. It cannot be separated from other growths and tendencies of these first years of the twentieth century, with which it is closely interwoven. It makes possible the large enterprises of the age, and, on the other hand, it is made possible by them. It enables a large number of persons of moderate means to co operate and share in the results of great undertakings, and thus meets the people on the one side and enterprises which concern the public on the other. I think that we cannot fully appreciate the trust company until we understand that it is not merely a machine for the earning and paying of dividends, but is a factor in the promotion of a better civilization.

One writer has called the trust company "The highest form of business yet devised." In closing, I cannot do better than to quote his words: "Trust companies are formed for the execution of the most sacred duties that can be imposed by man. The care of the property and welfare of the helpless and dependent, the widow and orphan, the feeble and ignorant ones, who are such an easy prey for the unscrupulous, is part of their mission. To carry out the wishes of the dead, who put faith in the company, and entrusted their dearest interests to it for years, in the belief that it always would be true and honest; to meet the expectations of the living, who entrust their property to it in full confidence that it always will be faithful and capable; this demands a conscientiousness and thoroughness, which must always serve as a high ideal and inspiring stimulus to right-minded men."

BANK CLERKS' CONVENTION.—A convention of chapters of the American Institute of Bank Clerks will be held at Cleveland, Ohio, September 18 and 19.

The committee of arrangements having the affair in charge is made up as follows:

F. I. Kent, chairman, Chicago Chapter, First National Bank, Chicago.

S. Ludlow, Jr., secretary, New York Chapter, Fourth National Bank, New York city.

Alfred M. Barrett, treasurer, Alexander Hamilton Chapter, Western National Bank, New York city.

D. C. Wills, Pittsburg Chapter, Mellon National Bank, Pittsburg.

E. E. Kehew, Pittsburg Chapter, Keystone National Bank, Pittsburg.

Clay Herrick, Cleveland Chapter, City Trust Company, Cleveland.

C. W. Dupuis, Cincinnati Chapter, Western-German Bank, Cincinnati.

J. C. Fenhagen, Baltimore Chapter, Merchants' National Bank, Baltimore.

R. M. Richter, St. Louis Chapter, International Bank, St. Louis.

An interesting programme has been outlined, consisting of papers and addresses on banking topics, a joint debate between representatives of several chapters, a banquet and other entertainments and amusements. Great enthusiasm in the convention is being manifested, and the outlook for a successful and valuable meeting is most promising.

NEW JERSEY TRUST COMPANIES.—State Banking and Insurance Commissioner Watkins issued a statement on July 28, showing the condition of fifty-seven trust companies in New Jersey on June 30. The resources are given at $183,458,962, an increase over December 31, 1902, of $20 075,303. The deposits aggregate $97,443,-928, an increase for six months of $14,850,820.

THE COST OF ASSET CURRENCY IN CANADA.

In any discussion that has for its subject the advisability of a change in the currency system of a great nation it is particularly desirable that a most liberal account be taken of the expenses and drawbacks likely to be met with in connection with the innovations that are proposed.

This paper has a two-fold object: it is purposed to give, first, a rough summary of the not quite so well-known expenses incidental to the maintenance of the Canadian bank note circulation; and then to show that note issue against assets will earn its full profits only when associated with a system of branch banks, and to give some reasons why it appears to the writer that the redemption and removal of superfluous currency issues, which is so necessary to healthful working, might not proceed in the United States with the automatic prompitude that obtains in Canada.

In a general way, the Canadian public has the idea that apart from a small proportionate cash reserve, the banks loan out the amount of their note circulation at something like five or six per cent. per annum, the only charge against these profits being the cost of the printing of the notes. Others expenses properly chargeable against the profits of note circulation are: extra transportation costs, and salaries for extra work.

To create a vacuum for its own notes to fill every branch bank collects and sends in for redemption all the notes of other banks on which it can lay its hands. For branches outside of the reserve cities there is here the expense of continually shipping these notes to a point where redemption will be made, and a loss of interest until the funds are actually collected from the respective issuing banks. The branches of a bank which are always shipping in sundries must be supplied in return with the bank's own notes. There is, therefore, going on all the time in Canada a cross flow of currency—notes coming into the centres for redemption; with others exactly similar going out to take their places. The cost of this cross-flow is an expense peculiar to the asset currency system. It sometimes happens that this double transportation cost is incurred for the sake of a note circulation lasting only a couple of days. In a great many instances, however, when the notes issued by one branch wander far afield they drift into the territory of a second branch; when this occurs, economies in transportation are often effected.

It is not intended here to draw the inference that these and other expenses outweigh the profits derived from the Canadian bank-note circulation; the fact that the business, with its attendant expenses, is vigorously pushed to the limits authorized, is proof positive to the contrary.

The branch manager's incentive in actively withdrawing from circulation the notes of other banks and replacing them with those of his own, is to get credit with his head office for beidg influential in increasing the bank's circulation. Diligence and zeal exercised in this direction are noticed and rewarded promptly, just as the same qualities are rewarded when through their employment the bank's deposits are increased or its loans extended.

In Canada, then, there is direct profit derived by each bank from the process of withdrawing from circulation the notes of its competitors. This point should be noticed; it will be referred to later.

As to the exact proportion of these transportation expenses deserving the term extra, that can be arrived at readily by American bankers familiar with their own expenses for transporting currency under the present system.

Next, as to the manner in which the Canadian bank-note circulation entails additions to bank salary lists. In the reserve cities the laborious daily sorting out of every dollar of cash receipts calls for extra work in the telling boxes. Every day in each busy bank, twenty, fifty, a hundred thousand dollars and more in fives and tens must be divided into from ten to twenty-five bundles—every bank note sent into the bank that issued it or into its redemption bank. Then there is the signing of new notes, and the care of worn-outs; in the head office of a good sized bank these duties will provide steady employment for a senior officer for six months or more in every year.

The foregoing comprise the chief costs and expenses chargeable against the profits earned by the Canadian bank-note circulation; concluding them, it should perhaps be mentioned that it is the custom of the banks to lend on the New York call money market a portion of the funds derived from their note circulation. Especially is this the case when note issues expand violently during crop-moving time. New York is selected, of course, because the funds can be readily called in without creating disturbance. The fluctuations in New York call rates have therefore some influence on the profits from bank-note issues in Canada.

In maintaining a note issue consisting of asset currency the isolated banks of the United States would work at a disadvantage compared with the branch banks of Canada—first, in the matter of securing the notes. The peculiar circumstances prevailing in Canada makes it possible to secure the bank circulation by means of a deposit with the Canadian Treasury of five per cent. of the total note circulation—the banks receiving three per cent. interest on this deposit and undertaking to replenish the fund whenever it is impaired. As the notes of failed banks are a first charge on all its assets, the liability to loss is not considered of moment. Through the Bankers' Association, supervision is exercised over the note issues of all the banks. On account of the vast number of banks in the United States that must participate in any note issuing scheme, American bankers quite naturally would prefer to secure the general note circulation by means of a safety fund accumulated from annual payments by each bank, of one-eighth per cent. or more on its average circulation—this contribution made, the liability of solvent banks for notes of failed competitors to cease. Such an annual contribution would be a disability from which the branch banks of Canada are free.

Next, the cost of the redemption agencies which would be necessary to keep the new asset notes floating at par all over the United States must be considerably enhanced when there does not exist in the different districts numerous friendly branches to take care of and to utilize such notes as come into the neighborhood.

The new addition to the country's currency would be a hopeless mixture; the labor of sorting out, finding and making presentation to the redemption agents, or the issues of the notes, would be unending. Instead of thirty-five banks issuing notes, as is the case in Canada, there would be thousands. In a teller's receipts for the day there would be the notes of many hundreds of banks, scattered singly or in twos and threes throughout the pile. If redemption is to proceed as it should proceed, the labor and cost of this sorting out, and of the long journeys necessary to send the notes to their respective homes, would have to be faced. It could not fail to be greatly in excess of what Canadian branch banks are called on to pay.

Under these circumstances, it is at best an open question whether or not the trouble would be taken to force redemption. Unless there is profit to be gained it seems likely that trouble and labor would be avoided. In Canada, as we have seen, each bank gains directly through shoving its own notes into the vacuum caused by the withdrawal of those of its competitors; but if an American bank is already circulated to the maximum, as many of them undoubtedly would be throughout the year, there would be nothing to gain from the withdrawal and redemption of other banks' notes. The probability is that in seasons of pressure for currency the asset notes would be kept in the vaults of banks that received them, and paid into circulation again as the occasion arose. This would be quite right and proper; and would be meeting the very emergency for which the new notes were devised. But what would happen when currency was over-plentiful? Would not the country banks ship these notes, indiscriminately mixed with other currency, to reserve banks in New York, Chicago, or other centres?

And when they arrived what would happen to them? Would the New York banks or the Chicago banks go to work and sort out the mass and force redemption? Or would they store the notes in their vaults and against them increase loans and deposits?

Until the details of any plan that may be adopted are known, it is idle for any man to prophesy as to what would take place. In Canada, circumstances are such as to compel the banks to employ the funds derived from their note issues in liquid investments—in advances on the checks and sight drafts, through the agency of which internal trade is largely financed and the exports carried to the seaports; and in call loans abroad, available at a day's notice. In the United States it might be necessary to devise means either of compelling redemption or of making it profitable; if it should be materially delayed or restricted through the extra cost and labor involved, there would be danger of the banks employing the funds in advances of a more or less permanent nature.

H. M. P. ECKARDT, *Merchants' Bank of Canada.*

MONTREAL, Quebec.

THE FINANCIAL SITUATION.—Hon. A. B. Hepburn, former Comptroller of the Currency, and President of the Chase National Bank, New York city, discussing the financial situation on July 28, said:

"The country has undergone an era of great and genuine prosperity. As is always the case, advantage is taken of such conditions to promote a great many securities at greatly inflated values. That has been the experience of a great many people in the last three or four years. We have gone too far and too fast. Credit has been too much extended. We have been doing too much business for our capital. A hardening process which subjected securities to a level that would determine their proper value was bound to ensue, and is now in progress throughout the country.

The public and banking interest generally became skeptical, credit was withdrawn, and liquidation became inevitable. As is always the case under similar conditions, people sold their best securities when the crash came, because their others were unmarketable. They did this to meet commitments on what have recently been characterized as 'indigestible securities.'

Under this pressure railway shares—some of them—have depreciated to a point where, as an investment, they are attractive. Doubtless other securities on the list will be subjected to pressure, receding in value until they reach the investor's point. Later the commercial and industrial interests of the country will doubtless undergo a similar experience. Those who have made mistakes financially must suffer financially. People who are too much extended will very likely come to grief. General business conditions, however, are in excellent shape, the crops are so munificent that it will be impossible to produce anything like a financial or commercial crisis, and people will have ample opportunity to put their houses in order. Those who fail to heed the warning with which the atmosphere is surcharged at this time will surely come to grief. The stock market has fallen fifty points without serious panic or complications, and the business interests of the country will have equal opportunity to conform to any fall in prices or any reduction in the volume of trade."

*THE PRACTICAL WORK OF A BANK.

INCREASING THE NET EARNINGS.

V.

There are two general lines to follow in attempting to increase your net earnings —prudent economy and judicious extension of business.

To manage most economically, one must be master of every detail in the work of those under his charge. It is well to study their every action and to keep in close touch with the most insignificant item until your working force is so thoroughly imbued with the idea that waste of time and needless expense figure in the net profits as surely as do the earnings computed by the discount clerk. No one is more aware of the progression of the "penny-saved" idea than is the banker, and at least one has employed and encouraged that system to a high state of perfection. He never mails a letter on Friday to his correspondent six hundred miles away, because the Friday and Saturday letters would reach the desk together Monday morning, and his method of writing only the Saturday letter saves his bank two cents per week, in addition to the stationery. Two cents a week, during the twenty years' existence of the bank, has amounted to twenty dollars, and the net profits are actually that much more than they would have been. He buys his winter fuel in the summer time, when it may be had some cheaper; pays his light and water bills by the year instead of per month. Outside of the bank he is generous and liberal, almost to a fault, but he regards bank dealings as a sacred trust, and each year he tries to exceed the profits of the foregoing one. There are economical methods, which, instead of developing gross churlishness, rather encourage the avoidance of unnecessary waste and extravagance. Many bankers have learned that by the introduction of carbon-paper stationery, they could save the labor and salary of one or more clerks. The new systems of balance books and ledgers and the introduction of labor saving devices and methods have made dollars quickly for those bankers who have carefully investigated the workings of each, selecting such as were best suited to the circumstances and needs of their own particular office. Expense, alone, is not to be considered, for profits or benefits are not always to be reckoned in cash. The degree of ease and efficiency with which work is accomplished and the appearance of it must be taken into account. A banker must use his judgment in purchasing stationery and appliances—even pens and inkstands—and it is well to remember that the cheapest are less frequently the best.

Continual exhortation to frugality with bank property among your clerks, if conducted in a reasonable way, will have its effect on the profits of your institution and will entail greater respect from your directors. The clerks will, in the end, regard you, not as "terribly stingy," but as working for the interests of your bank with heart and strength.

Saving Needless Expenditures.

In order to stimulate economy in his force, the manager of a large bank told his clerks to each try to suppress some leak or useless expense to the extent of one cent

*A series of articles to be published in competition for prizes aggregating $1,050, offered by The Bankers' Magazine. Publication of these articles was begun in the July, 1901, number, page 18.

each day. This saving was not to enter into the profits of the bank, but was to become a fund toward a library for the employees. For three months each clerk reported his penny saved to a certain clerk who kept a close record, and the amount thus determined for each month was thereafter regularly paid by the bank into the library fund. Some of the clerks saved a number of pennies and some were unable to show a saving, but the amount easily proved ample. This spirit led to the discovery and correction of other leaks and needless expenditures of which the earnings henceforth received the benefit.

It is argued that stringent economy is a waste of brain power that overbalances the material proceeds. There is, however, so little danger from this source that it need not be discussed here. The natural tendency, more or less, toward prodigality acts as a safety valve to the economical machine. In many banks the question of economy is scarcely considered, and in these it could be made to swell the profits measurably.

Profitable Expansion of Business.

Saving is here given first attention among the opportunities for increasing earnings because it trains the mind and eye to details that will be of inestimable value in the pursuit of new business where results in the profits are more specific. There success requires acute faculties and shrewd judgment based on experience. In order to extend business relations a careful and an exhaustive study must be made of the surroundings, and actions had accordingly. A bank that had been running for years with a large portion of its money out only half of the year to a certain class of cattlemen, found that by establishing a branch in another location it could use the funds of the idle half in the fisheries of the new section. Thus by safe and careful management it was enabled to keep operating a greater portion of its funds and wrote up handsomely increased profits. Not every bank is thus favorably situate and it is more often the case that a larger deposit account is necessary before extended discount relations may be considered. Usually banks under such conditions resort to paying interest on term deposits, or, if already using that plan, they raise the rate a trifle and thus entice deposits to their savings department.

A unique method has been launched in certain cities where banks furnish depositors with toy (?) savings banks and thus institute a saving spirit among people who are not yet as valuable customers as they have the opportunity to become. There are places where this method succeeds and has increased the bank's deposits a substantial per centum.

Where opportunities offer, large deposits may be gained by electing your men to offices of treasurer of governmental or private affairs. Soliciting accounts is, by some, considered in an unfavorable light, but competition is antiquating the idea. Directors frequently find that, in the soliciting of accounts, some social coldness or incompatibility prevents their officers from securing valuable accounts that are oftentimes otherwise naturally inclined toward the institution. A few timely remarks will usually dispel these illusions and swell deposits largely. Neat offices, courteous treatment, attractive clerks, separate departments for ladies, all have their proportion of influence in enticing business. Life and fire insurance as well as notary public work enter into and become a prolific source of revenue for many banks.

Banking Conditions in the City and Country Compared.

While large city bankers meet with fierce competition, they are more than country bankers in the position of being sought by business. Their mission is rather to discriminate from what is offered. They are told by influential men, in position to know, that the South American countries offer unbounded fields for enterprise and capital, and all classes of schemes and propositions are spread before them. They are told by men on the ground that the Philippine Islands are stagnating for want of facilities for transportation and banking. Their earnest attention is called to the exceptionally favorable Russian and German loans. Theirs is to make reply. Choose ye, choose ye the best from the better.

The country and the inland bankers are usually aware of all of their latitude in the matter of extending business relations, though not always do they take advantage of it. They know what is needed here and what improvements would facilitate certain other enterprises. They can readily foresee how the introduction of new methods, or new legislation, would affect their profits. Some do not neglect ripe opportunities, but most are content to go on aiding their substantial customers and occasionally seeking new ones as their accommodations may permit. They view the wholesale city bankers much in the light of demigods and they marvel that some boy, whom they outclassed at school, has now become the all-powerful executive of a great bank in a large commercial center. Then they look about them with a view to extending their own relations, and long for broader fields and greater opportunities. Some now seize those neglected and dormant for years and commence to build up connections, which, had they been established earlier, would now be highly respected.

Look about you! Place some worthy young man in partnership with that antiquated beacon, who is content to work along at small wage, where, with more energy, large profits might easily be his. The new relationship, if instituted rightly, will prove of immense benefit to the junior and senior members, and your own profits will likely receive a corresponding stimulus. In another place you may find a partnership that is working mutual disadvantage. Advise and facilitate the overcoming of the fault, after having first looked into the future to learn the results of the change and the prospects under the new conditions.

Banks Acting in an Advisory Capacity.

The matter of giving advice may be made conducive to much good. No banker can afford to lose the patronage of a customer, who first seeks his advice, and by exerting faithful efforts to establish an honorable record as a counselor you will add to your number of customers and will increase your net earnings in proportion. The country banker acts in an advisory capacity to his clients, the banker of the larger town to the country banker, and in turn the city bankers, who really become specialists in certain lines, are enabled to give the smaller city banker the benefit of their wider experience. The cordial good will, so unceasingly shown in this chain of dependency, knits in closer union the bonds that exist among bankers and their clients, and it behooves each grade to advise with great care and earnestness. Bankers who place themselves in positions where they are enabled to offer expert advice, backed with substantial assistance, can hold their clientage and gain new customers far easier than in any other manner.

A striking example of a bank being able to cater to every class is offered by a Western bank that chooses its seven directors from the seven most prominent industries and professions in the section over which it has jurisdiction. Grain, lumber, packing, railway, live stock, real estate and insurance fields are represented by men at the head of each profession and that bank's executives are able to act on or furnish expert advice to any customer who may be in need of it. As a consequence the scope of its relations is unbounded and the handsome business it enjoys very noteworthy.

Rules in Making Loans.

As loaning is the most important feature of bank management and the results therefrom the most conspicuous profits or demerits, a simple rule to follow will not be unthankfully received. Remember, always, that you do not necessarily have to make this loan—not even to your brother. No, not even to yourself. If it does not look right, drop it.

IF YOUR RATE IS SIX PER CENTUM, ONE BAD THREE MONTHS' LOAN WILL CONSUME THE PROFITS FROM SIXTY-SEVEN GOOD LOANS UNDER LIKE TERMS; AT FIVE PER CENTUM, ONE BAD LOAN CONSUMES THE PROFITS OF EIGHTY-ONE GOOD ONES, AND AT FOUR PER CENTUM, ONE HUNDRED AND ONE GOOD LOANS SUFFER.

Paste this over your desk and invariably read it before making a loan. Your net earnings will be written greater and your "gone wallet" will shrivel with leanness.

Manage your bank with thrifty economy, keep wide awake to every opportunity around you, and consider carefully your advice and actions. These ends striven for, your ambition will be higher, your happiness fuller and your success greater. Try it.

PROF. IT.

A CREDIT CURRENCY.

[Address of Hon. Charles N. Fowler, Chairman of the Banking and Currency Committee, House of Representatives, delivered at the annual banquet of the Michigan Bankers' Association, Pointe aux Barques, Mich., June 17.]

It is well for us to prepare in these times of prosperity and apparent rest for the dangers that overhang the commerce of this country, and I to-night will try to plant here and there a milestone, which to you ought to be an interrogation point, from which to start to investigate for yourselves whether perchance I suggest anything of value.

First, I want to call your attention to this fact that it is wholly immaterial whether our country produces one million dollars' worth of gold or one million dollars' worth of beet sugar or iron; in other words, that a country does not accumulate gold because it produces it. Remember that. From 1860 to 1879, including what we had in 1860, there was a billion of gold produced in this country, and yet we had nothing with which to resume until we proceeded to resume. It all disappeared. From 1880 to 1896 we produced in this country 700 millions of gold. We saved about 247 millions of it. That is milestone No. 1.

The second one is this: That it is wholly immaterial as to the balance of trade in your favor, how much gold you have. I have heard many men say, since 1897, when we passed the Dingley Bill: "We have got the balance of trade in our favor; we shall fear nothing." As a matter of fact it is wholly immaterial whether you have the balance of trade in your favor. Milestone No. 2. Remember that.

We produced eighty millions of gold last year, and the credit balance in our favor was 500 millions, yet we are shipping millions every week. From 1870 to 1902 there was a balance of trade against Germany of four billion dollars, and yet Germany increased her gold every year if she wanted to and did not produce any gold. From 1870 to 1902 the balance of trade against France was four billion dollars; she produced no gold. From 1870 to 1890 the balance of trade against Great Britain amounted to twenty six million dollars; she produced no gold and yet had all the gold she wanted.

How does a country get its gold? It buys it; buys it precisely as a merchant buys commodities that he sells to his customers. That brings me to milestone No. 3, that so long as a demand obligation of this Government remains out in such quantity as to make it possible daily to withdraw gold from the Treasury, there is no certainty that any gold will remain in this country at all. Why? Because when the Government has a long line of demand obligations, they may be presented every day and the Government compelled to pay out gold for those demand obligations. From an economic point of view, the Government is giving the gold away. Now, follow me; giving it away because it simply gets the face of the gold back; for, economically speaking, the price of gold is the use of gold overnight; in other words, the interest on the gold from day to day, and so long as the Government gives it away, not being a money lender and therefore not able to charge a rate of interest for the use of the gold, the Government is giving away the gold to the world, and we are the only nation giving away gold to any person or Government elsewhere. Therefore, you can rest assured that there will be no time of commercial security in this country until the burden of buying this gold is thrown upon the banks, and the banks themselves test their credits with gold. There is not an obligation in the United States to-night, not one, that any must prove, that you must bring in the gold to prove, not one; but the Government must prove its notes in gold and pay some of its bonds in gold, but as a question of legal tender you can prove it in silver at fifty-five cents on the dollar, and you can prove it in United States notes, which are worth no more than the paper, unless the Government proves it by furnishing the gold. Therefore, I assert without any fear of successful contradiction, that never can there be in trying circumstances security until the demand notes are retired, and the banks are compelled to furnish the gold and not the Government. Milestone No. 4.

A Credit Currency Needed.

We need in this country a credit currency. Now, what is currency? Money may be used for currency. There is in the United States no currency, except the gold that is in it. Why? Because the silver is measured in gold; because the greenback is measured in gold; because every obligation in this country is measured in gold, and the only money in this country is gold. Now, what is the currency of the country? National bank notes, silver certificates, greenbacks and the checks and drafts of the country; all of them currency. About eighty per cent. of the business of this country, amounting last year to $120,000,000,000, about eighty per cent. of it is transacted in checks and drafts, the rest of it in coin or some form of currency. There is nothing in this country to day that prevents the banks from naturally and automatically furnishing the checks and drafts for the eighty per cent., but how do you get the currency above the eighty per cent.? You haven't any way of getting it. It is a fixed quantity. When you go to Canada, we find that in the fall when the crops superinduce a greater demand for money, the banks pay out $2.40 for every man, woman and child, or ten millions of dollars, and that ten millions disappear precisely as the checks disappear in this country, which is precisely the same as if you draw a check to do some special thing. The same thing is true of Germany with its population of 56,000,000; they turn over four times a year one hundred millions of currency, in and out, the same as checks and drafts. In the United States we are 80,000,000 of people, and if we had a proper system of currency, there would go in and out somewhere from 160 to 225 millions of dollars. In other words, when it should increase it decreases, and when it should decrease it increases. Now, I think I am not going too far when I say that in the minds of intelligent men in this country, everywhere, there is to-day a conviction that there is something wrong. How do you know? Because from the first day of July to the first day of December every year there is somewhere from three and one-half to four billions of products superimposed upon the business of this country, and while you can prepare for it with checks and drafts—for that part of the work that can be done with checks and drafts—there is no machinery to increase the currency of this country one dollar. You are just as much in need of the increased efforts of the banks to do this business as you are in need of the cars to carry to the market and dispose of the products of the country.

Safety of Asset Currency.

Now, if such a thing is desirable, and I assume that every man, practically, who has studied this question, admits that it is not only desirable but necessary, you have a right to ask me, if you have not studied it—have not investigated it thoroughly enough to satisfy yourselves—whether such a thing could be safe, or not. The fact is, having heard so often that we have been doing business upon a different basis—the banks having to put up Government bonds to secure the circulation—that therefore we could not argue from the condition of the banks for the last forty years. So I went to the office of the Comptroller of the Currency and asked him to assume that every Government bond to secure the circulation had been lost, and not a cent recovered, and with that loss the notes had been a first lien on the assets of the bank, how much of a tax would have paid the notes of the bank. A tax of 8-1000 of one per cent., imposed on all the notes of the banks outstanding, would have paid the notes of the failed banks—eight thousandths of one per cent.!

What does that mean? It means that a tax of one-half one one per cent. on all the notes would have lasted sixty-two and one half years; a tax of one per cent. would have lasted 125 years, and a tax of five per cent. that we proposed to put up as a preliminary fund would have lasted 625 years. Now, is there any man or woman here that is solicitous about his or her descendants 625 years hence?

I made another request of the Comptroller, and that was, that allowing the Government bonds to remain, and that they should not be a first lien, but just make a tax that would pay the notes of the failed banks, what the tax would be. The conclusion of the Comptroller of the Currency was that a tax of 22-100 of one per cent., a little over one-fifth of all the notes, would pay all the notes of the failed banks.

Now then, to answer the query of doubtful men, I investigated the condition in New England under the Suffolk system from 1840 to 1860. There was no banking system; they went into the backyard and printed or wrote out notes; there were no telephones, no railroads, and there was almost a perfectly free system of banking for each man, except that the Suffolk Bank, in Boston, had so far impressed itself on the banks of New England that no bank could do business, unless it redeemed its notes. In that twenty years, from 1840 to 1860, what was the result? A tax of one-fifth of one per cent. on all the notes would have paid the notes of the failed banks, proving that the system of compulsory redemption in gold and silver, from 1840 to 1860, in New England, was safer than the National banking system since 1863. * * *

Wherever the system of a credit currency has been invoked it has never failed, in this country or on God's earth. I challenge any man to point out a case where it has ever failed. I am sometimes confronted with people who say: "Well, don't you get kind of tired advocating currency reform?" I have always said I didn't expect to bring about this reform before there was some crisis, but I did hope to so far advance thought in this country that when the crisis came, and legislation followed the crisis, the American people would do the wise thing and not the wrong thing; and yet progress has been made, great progress when you consider this question. I well remember when I entered Congress. There was, as I remember, 126 Republican majority; 230 out of 356 members were Republicans. But three members made single gold standard speeches. I have lived long enough to see every man, woman and child in favor of the gold standard. I advocated the funding of the national bonds into two per cent. gold bonds eight years ago. I lived long enough to see that done and know that I helped do the trick.

Deposit of Public Funds in Banks.

I want to call your attention to another milestone. This is No. 5, and that is with regard to Government deposits. I assert that the Government ought to deposit its money with the banks of this country precisely the same as any great business institution deposits its money. I assert that there is neither reason nor justice in demanding from the banks of this country bonds to secure Government deposits. I assert that the Government should deposit its money and receive a rate of interest for its deposit, and it can be done with perfect safety.

In 1899 I presented certain questions to Secretary Gage, with certain assumptions, and the result of the investigations was this, that if from 1879 to 1902, where we subsequently carried this investigation, the Government had deposited its money with the banks at the reserve cities in proportion to their capital, and had asked one per cent. on its deposit, there is not one instance in the whole period of twenty-one years in which the Government would have lost one per cent., and it would have had $20,000,000 as the result. I say the one per cent. ought to be two per cent., so that practically from 1879, going no further back, the loss resulting from the present system would amount to $50,000,000. There is another reason—not only the loss of the $50,000,000—another reason why this Government should not require this guaranty. When you take $150,000,000 of bonds to secure Government deposits, and $375,000,000 to secure the currency, you have taken from the channels of commerce more than $500,000,000, and transferred it to the investment fund.

Now, my friends, I want to say just one thing more that is not a milestone in commercial questions or finance and currency reform; but in my judgment it lies at the very foundation of every consideration. It is this, that production and consumption is the whole secret of our commercial life. When you have found the most economic way, and have reached the wisest conclusion with regard to production, so that our men are paid as well as they can be, you have solved the problem. We must continue to solve from time to time, as the chances come, the great problems of our civilization. We want higher and higher wages; our civilization demands them, and anything that will increase wages should be done. We have freight rates, the lowest in the world. We should have interest rates as low as the lowest in the world, and they are twice as high as the lowest in the world. You have a duty as a citizen to solve this great question. The welfare of the citizen increases his intelligence, increases his home life, enlarges his manhood and makes him more and more a part of the country in which he lives. We must have the world's markets; that is the battle of civilization to keep our men working all the time. If we keep them working all the time at the wages they are getting, we will produce one-quarter more than we consume, and how can you stay in the markets of the world with five and six per cent. money with others who get it for three. It is for your interest to keep the men working all the time. What will happen to the finances? What will happen to the prosperity of this country, if we lose the market for the one-quarter that is produced over and above the amount consumed? It is the last twenty-five per cent. that pays, and it is the last twenty-five per cent. of business that you do on which you make the profit.

I believe in American citizenship and I believe in my country. Hopefully as I believe in American citizenship, I believe we must go to the end of the earth with our products. I believe if we shall make these changes in our currency, New York and not London will be the financial center of the world. I want to see the time when bills the world around will be in dollars and cents and not in pounds, shillings and pence. I want to see the time that every piece of exchange will be paid by other bills for American goods; when the English language is spoken everywhere and that with an American accent. And as an incident of this I want to see every dollar's worth of goods that we produce go out of this country in American bottoms, and every dollar's worth that we consume from abroad, brought in in American bottoms. I want to see a merchant marine whose great hulls will mount every ocean, and whose buoys will be kissed by the waters of every navigable sea. I want to see our flag floating everywhere. Pressing upon the breezes of every land, conveying the message of peace, of honor and of power, and telling to all the world of civilization higher than any other, a citizenship almost ideal in its character, representing the purity of the white of the flag, the fidelity of its blue, the patriotism of its red, and the eternal hope of its stars. And I want to stand for a nation among the nations of the earth, pure in its purposes, faithful to its trust as the leading and the guiding nation now of all this earth. Patriotic in this, that it stands for all that is best in twentieth-century civilization, and holding out to the world the eternal hope of the stars.

COMPETITION BETWEEN BANKS AND TRUST COMPANIES.

The steady increase in the number of trust companies and their encroachment on the legitimate business of banks of deposit and discount have aroused the officers and directors of banks to the fact that some steps must be taken to meet this new form of competition.

Since by their charters trust companies are permitted to do not only a strictly trust business, which banks of discount are prohibited from doing, but are permitted as well to take deposits of money, to be paid on demand or time, with or without interest, and are allowed to discount notes and other evidences of debt (under the guise of purchasing them), thus invading not only the field of banks of discount, but Savings banks as well, the question of life or death faces many bank directorates. How to meet this strong competition presses hard upon the attention of all bankers, especially the country banker.

Whenever a bank has met with a good degree of success, sooner or later a set of men get together and subscribe for enough stock to secure a charter for a trust company. They get it in most cases for the mere asking (although the Superintendent of Banking of New York has shown good judgment in refusing to grant a charter where a trust company was not needed), and the struggle for deposits begins, for upon the securing of deposits in most cases their life and succees depend. To secure them they must offer big inducements, so a high rate of interest is offered ; in many cases interest being allowed on daily balances of $100 and upwards at from three to five per cent. The depositor as a rule has little or no knowledge of the bank's investments ; his only thought is to get interest on his balance. If he were to study the question, he would learn that Savings banks must invest their funds in certain well-defined securities that have been well tested, such as real estate mortgages based on a fifty per cent. valuation of the property, or in municipal bonds or railroad mortgages that have not defaulted in their interest for a long period of time, or if a National bank, that its funds must also be invested in certain kinds of securities that have proved to be good. In both cases these securities are passed upon by State or National authority. While the same scrutiny is made of the securities of trust companies, it should be remembered that the right to loan only upon certain well-defined securities does not apply to trust companies, their charters giving them unlimited powers for the investment of their funds. This is the danger point. The temptation to make money quickly and to pay large dividends renders it easy for loaners of money to take larger risks than good management and prudence would allow, and it is believed by many conservative bankers, should we experience another financial panic, that some of the trust companies would be unable to weather the storm. It should also be remembered that trust companies are not required to keep much cash in their vaults, but can keep their funds largely in loans and securities or on deposit in banks. If a panic such as occurred in 1893 should again visit us, the struggle for currency would result in the survival of the fittest, and the bank having the largest cash reserve would certainly be in the best position to stand the strain of large withdrawals of deposits.

But the depositor as a rule does not consider these facts. The trust company wants his deposit and offers the interest inducement and secures it unless the bank of discount or Savings bank offers him equal inducement to deposit with them. The Savings banks have met this demand and have allowed as high a rate of interest on time deposits as it is possible for them to give; so the securing of deposits is not so vexing a question with them as it is to the banks of discount.

Can a bank of discount meet this new form of competition? Can it afford to pay interest on deposits? If so, what is the best plan to pursue? The writer believes it not only possible but necessary to meet the competition forced upon the banks by the trust companies. A new feature in banking has developed very rapidly in the past five years. The idea of considering money as a commodity to be bid for in the open market is one that many bankers cannot grasp. They still cling to the idea that deposits should not be solicited but that depositors unsolicited should select the bank in which to deposit their funds. "The world do move," and financial methods have also greatly changed in the past few years. Up-to-date bankers consider a possible depositor in the same light as a merchant does a possible customer, and each doing the best he can to build up his business uses every legitimate inducement to get the customer. One of the inducements a bank offers is to pay interest on balances. It is a well-established fact that the ratio of expenses decreases as the deposits increase. A bank can afford to pay some interest on deposits and still make a fair profit, provided the deposit has reached a certain amount, and will not go below that figure or will remain untouched for a specified period of time. But the old time banker says, if we start in to pay interest on depoits, how are we going to make as much money as we are now making? I reply, the increase of deposits will give you so much more money to invest that you will more than make up for your seeming loss. He usually replies, I doubt it; show me the proof.

The writer has taken the occasion to bring this question to a large number of bankers of New Jersey and New York, and has induced some to demonstrate the fact that it pays to pay interest on deposits. In some cases the banks have more than doubled their deposits in two years, and others have added from forty to eighty per cent. inside of a year. In all of these cases the increase has not been at the expense of the deposits already in the bank (not bearing interest), but has been new deposits which would have gone to a trust company or Savings bank. If these banks have made such magnificent increases in their deposits in so short a period, have they not a right to expect a still larger increase as time advances.

Another feature which is worth considering is that banks which pay interest get the people coming their way, and every depositor, if treated courteously, has a friend who may have some money to deposit in a bank and he naturally recommends the bank where he keeps his money, and so, on the endless chain plan, the depositors of a bank keep on multiplying through and by the help of its own customers, many of whom open in addition accounts for checking purposes which bear no interest.

Now, if this be true (and it has been so demonstrated), the live up-to-date banker wants to know what is the best plan to be pursued. How shall we go at it to get the best results? Shall we pay interest on all daily balances subject to check, or on none? Shall we issue certificates of deposit bearing interest or open a savings fund department? The question of environment has something to do with answering these questions. If there is a trust company in the same town or vicinity paying interest on daily balances, it might be necessary to do the same, but it would be folly to pay interest on balances of active accounts whose average balance is not more than $300. There is a fair margin of profit after paying two per cent. on balances of not less than $500, if the account is active. But unless it is the only way to hold an active account, the writer believes it bad policy to pay interest on any active account.

The other ways are either to issue certificates of deposit bearing interest for sums left on deposit for a fixed period of time, or to open a savings department, receiving deposits to be entered in a book similar to that issued by a Savings bank and subject to the same rules as to withdrawals.

The former of these two ways has been in vogue in many banks for some time, but it is not the best way to meet the demand, as the certificates are frequently lost or destroyed and both bank and depositor are put to a great deal of trouble in consequence; and there is also the danger of certificates being raised and banks put in jeopardy as a result. But if a bank issues a book to a depositor and requires him to present his book to withdraw his balance, the element of risk is eliminated, hence the writer believes this to be the best way to solve the question of how to meet the competition which the trust companies have thrust upon the banks.

The question has been asked, can a National bank open a savings department? In reply the writer would state that there is nothing in the National Bank Act preventing it and the Comptrollers have ruled it permissible. Another vexing question to be answered is whether, if such a department is opened, would not the bank be subject to State supervision. The answer is, National banks are Federal institutions and are not subject to State laws except in the matter of taxation and the maximum rate of interest to be charged on loans.

Again, must these deposits be kept in a separate ledger and invested differently from the other deposits of the bank? Yes, they should be kept in a separate ledger —the loose-leaf being the best form, but they must be invested in the same way as the rest of the deposits, all of which is clearly set forth in the National Bank Act. Prudence would suggest, however, that these deposits be largely invested in call loans or in good marketable bonds so that they can be quickly converted into cash if necessary.

Since it is clearly within the province of a National bank to maintain a savings department, there is another view of the question which is worthy of consideration. A charter for a National bank is granted when it is shown there is need for one in the town and locality where it is to be established. Its functions are to receive deposits, discount notes and other evidences of debt, buy and sell exchange and transact such other business as may be legally done. In some communities National banks have failed to meet a great need. They do not recognize that a large class of people who are frugal, who save a part of their earnings, lay it aside against the time when sickness or old age or adversity shall overtake them. This class of people cannot afford to put their savings where they will not earn any interest, and they should not be forced to travel miles from home to find a bank that offers interest on that class of deposits. If there is no Savings bank in the town a National bank ought to receive such deposits and pay the same rate of interest that a Savings bank does. Notwithstanding the fact that occasionally a National bank fails, the public at large puts a great deal of confidence in the National banks, and the people very quickly avail themselves of the opportunity to open an account in a National bank if it will give as good rates of interest as a Savings bank. Many bankers are beginning to view the matter in this light, and some have established savings departments, resulting in larger deposits, larger profits and filling larger places in the communities in which they are located.

If the foregoing shall cause others to take up the matter, the writer will feel that he has not written in vain. W. H. BRYAN.

THE BANKERS' MAGAZINE will be pleased to receive and publish other views in regard to trust companies and banks, dealing with the matter either from the banker's standpoint or from that of the trust company officer.

NATIONAL CONVENTION OF STATE BANK SUPERVISORS.

A convention of the supervising officers of State banks was held at Buffalo, N. Y., July 7 and 8. Papers were read on the different phases of bank examinations, and the following officers were elected: President, F. E. Timberlake, Augusta, Me.; vice-president, F. D. Kilburn, Albany, N. Y.; secretary and treasurer, Marcus C. Bergh, Madison, Wis.

Next year's convention will be held at Indianapolis.

The following paper was read at the Buffalo convention by Marcus C. Bergh, State Bank Examiner for Wisconsin:

PRIVATE BANKING AND ITS SUPERVISION—ADDRESS OF MARCUS C. BERGH, BANK EXAMINER OF THE STATE OF WISCONSIN.

Mr. President and Gentlemen of the Convention: Some time ago I received a communication from our president, Mr. Johnson, stating that my name would appear on the programme fof an address at this meeting, and the subject assigned to me was "Private Banking and Its Supervision." Our president must have known something about the difficulties under which we have been laboring in Wisconsin in our attempt to examine and supervise private banks.

In order, gentlemen, to give you a correct idea of our position, it will be necessary to briefly give a synopsis of the laws under which we have been working.

The constitution of the State of Wisconsin with reference to banks and bank legislation, prior to the amendment adopted at the last general election, required all such legislation to be submitted to a vote of the electors of the State at some general election, and had to be approved by the majority of the votes cast on that subject at such election before it had any force or effect. At the last general election, however, an amendment to the constitution was adopted, giving the Legislature power to enact a general banking law for the creation of banks and for the regulation and supervision of the banking business. This legislation required a two-thirds vote of both houses of the Legislature under our new law.

Section 2, chapter 523, Laws of Wisconsin for the year 1889, defines private banks as follows: "Any person, persons, association or corporation who shall use the words bank, banking or banking-house upon any sign, advertisement or designation of any place of business in this State, or upon any posters, bill heads, drafts, checks, notes or bills of exchange or on any form of commercial paper as a business title, sign, notice or designation, shall be deemed and considered a private bank within the meaning of the laws of this State and shall make report to the States Treasurer at the same time and in like manner as required of State banks."

Prior to 1895 banks were not examined in Wisconsin, but the law required semi annual reports to be made to the State Treasurer, on the first Mondays of January and July, each year.

In the year 1895 the Legislature enacted a law creating the office of Bank Examiner, known as chapter 291 of the laws of that year, which provides for an annual examination of all banks, including private banks, and, excepting, of course, National banks. The same act also required all such banks to make to the Bank Examiner not less than three reports in each year. The examination and supervision thus prescribed involved a great deal of work, the number of private banks ranging from 107 in November, 1895, to 141 in November, 1902, and their aggregate resources being $7,000,812.41 in November, 1895, and $13,886,749.09 in November, 1902. Additional difficulty in the work arose from the defective and partly obsolete banking law theretofore existing, which had been enacted in 1852, and never was modernized, nor thoroughly revised, so that whatever improvement there was in method and general condition of banks was attained as the result of moral suasion rather than from duress or compulsion.

For eight years prior to the passage of the General Banking Act of 1903, so-called "private" banks were examined, and under the supervision of the State Bank Examiner.

The effects of the supervision cannot be regarded as being other than beneficial. On the whole much good was accomplished. Not only were methods vastly bettered and accounting systematized, but the character of investments showed a marked improvement. Bankers, some of whom at first but reluctantly submitted to examinations, soon became aware of an unexpected—I'll be charitable enough not to say undeserved—prestige following in the wake of State supervision, and were no longer averse to paying the paltry fee therefor.

But the improvement was in reality more superficial than actual. The evils inherent in the system of private banking could not be eradicated by State supervision. They baffle the ingenuity of the legislator; they defy the examiner. The examiner may find the bank proper quite solvent, yet the proprietor, engaged in other pursuits, may at the time be in difficulties, hidden from the examiner, and which, eventually, may embarrass or bring disaster to the bank. As an illustration in point, I may be allowed to quote the following from the fifth annual report of my predecessor, the late Edward I. Kidd, to wit:

"The proprietors of the Bank of Dorchester were engaged in other business pursuits in addition to that of banking and incurred liabilities in excess of their ability to pay: attachment suits ensued and, this being a private institution, the attachments not only covered other lines of business in which the proprietors were engaged, but the assets of the bank as well, and while the assets of the bank, as shown by examinations made, were nearly, if not quite, sufficient to meets its liabilities, they could not legally be held for that purpose, but were by law required to be divided *pro rata* among all persons who were creditors of the firm, whether such person was a creditor of the bank or any other branch of the firm's business."

And, to quote further from the same report:

"The main difficulty in supervising the private bank is that while the assets and liabilities as shown by its books may show the bank proper to be in safe condition, the individual or firm, or the individual members of the firm which operates it, may be indebted to outside parties to such an extent as to cause the person or firm to be insolvent, and any examination which could reasonably be made would fail to disclose such insolvency."

In other words, if the proprietor or proprietors of a private bank is engaged in, let us say, a general mercantile business, the bank examiner, in addition to examining the bank, would have to make a careful inventory of the general store, and to take into account the firm's liabilities on the stock of goods in that store, as well as their private and personal liabilities, before he could accurately report upon the solvency of the bank proper.

An attempt was made before the Legislature of 1901 to exempt the assets of the bank from attachment by outside creditors, so as to reserve the assets of the bank only for the depositors and other creditors of the bank proper. This attempt, however, was unsuccessful, because as it was rightly pointed out, an arrangement of this kind might easily result in evading the payment of just debts, on the part of the banker, by transferring all of his assets to the bank for the benefit of the creditors of the bank only.

Many other evils and difficulties were encountered in the supervision of private banks. They are briefly summarized in my last annual report in the following language:

"Where a private banker has no other business and devotes his entire time to banking, he will probably conduct his bank in a safe and business-like manner; but the fact that the death of the owner or any one of the owners of a private bank will force its closing, thereby subjecting his or their customers to unnecessary risk and annoyance, is in itself sufficient reason why the present system, or rather lack of system, should be discontinued. Where a private banker is engaged in other enterprises, as he usually is, it is difficult to keep his private affairs separate from his bank, and to mingle his private business with his banking business is liable to subject the bank and its funds to risks that may result in disaster."

A thorough discussion of the subject before the banking committee of both houses of the Legislature convinced the committee that the true solution of the problem lay in doing away with private banking entirely. The views of the committee are embodied in section 45 of the new General Banking Law, now on the statute books, of which Wisconsin may be proud.

Said section, adopted in substance from the New York Banking Act, reads as follows:

"No person, co-partnership or corporation engaged in the banking business in this State, not subject to supervision and examination by the Commissioner of Banking, and not required to make reports to him by the provisions of this act, shall make use of any office sign at the place where such business is transacted, having thereon any artificial or corporate name or other words indicating that such place or office is the place or office of a bank, nor shall such person or persons make use of or circulate any letter-heads, bill heads, blank notes, blank receipts, certificates, circulars, or any written or printed or partly written and partly printed paper whatever, having thereon any artificial or corporate name, or other word or words, indicating that such business is the business of a bank. It shall be unlawful for any person, co-partnership or corporation to use the word 'bank,' 'Savings bank,' 'banking,' or 'banker' or the plural of any such words, in any other business than that of the business of banking as defined and authorized under the provisions of this act. Any person or person violating the provisions of this section, either individually or as an interested party in any co-partnership or corporation shall be guilty of a misdemeanor, and on conviction thereof shall be fined in a sum not less than three hundred dollars nor more than one thousand dollars, or by imprisonment in the county jail not less than sixty days nor more than one year, or by both such fine and imprisonment."

In conclusion, gentlemen, I desire to say that examination and supervision of private banks where the law does not require the property of the bank to be held entirely separate from other property of the owner or owners of such bank is a waste of valuable time, as it cannot mean anything, and, as before stated, gives the private banks a prestige by reason of examination and supervision which they are not entitled to.

I deem it unnecessary to further trespass upon your valuable time by giving further illustrations why private banks cannot be successfully supervised. Do not misunderstand me, gentlemen, I do not mean to convey the idea that we have no good private banks. On the contrary, I wish to say that we have in our State some very excellent financial institutions that have heretofore been conducted as private banks, but that is no valid reason why we should permit private banking indiscriminately, because some of them are properly conducted and strong, by reason of personal financial responsibility of the owners. We always find exceptions to any general rule, and we must therefore look for the greatest good to the greatest number.

There seems to be something about the word "bank" that inspires confidence, and owing to the quite general and growing demand for State supervision over banks, the name therefore should not be used by institutions in States where State supervision is in vogue, except by banks regularly incorporated under laws giving the banking department authority to accomplish that which was intended.

THE BANKERS' MAGAZINE hopes to publish some of the other papers in a subsequent issue.

The Editor and the Banker.—Wealth means money, but it is not money until it is converted into cash, or credit, usually the equivalent of cash. Business men are seeking a safe process by which wealth can be conveniently exchanged into cash. The more complicated the method of exchange the more difficult it becomes to obtain money for the uses of commerce and the greater the hardships of those who have wealth and need money or credit, the greater the suffering of all. Newspaper publishers can endure a panic, perhaps, as well as any other industrial class, but no one wants a panic less than we, and no members of society have it in their power to aid more potentially in preventing or in bringing on a panic than editors, great and small. This is the reason why I depart from the customary usage and deal with a subject not ordinarily touched upon at our conventions.

If the editor seeks a special article for his columns, he obtains it from a specialist. If he is gathering facts on agriculture, he talks with a farmer. If he is reviewing a medical case, he consults a physician or a surgeon. If he is discussing theology, he appeals to a clergyman, or law, to a lawyer. Why, therefore, in discussing business matters and banking, should he not consult the banker? How many editors in our smaller communities are guided in their utterances on financial questions by the opinion of the local banker, the best financial authority in the place? Your local banker is usually one of your ablest business men, whose success has emphasized his integrity and honesty, and he is a safe adviser. Financial questions are too often made political issues, and the editor, ignoring the banker, takes his cue from the politician, who, probably, knows less about finance than any other man in the community.—From an address by John A. Sleicher before the National Editorial Association.

Paper Money in Colombia.—The Colombian Government recently submitted to Congress a statement of the paper money circulation of Colombia on February 28, the date upon which the decree was issued stopping further emissions. On that date the paper circulation amounted to $800,39[illegible],581 issued by the national Government. This does not include $750,000 issued by the Department of Santander; $18,702,100 by the Department of Bolivar, and $35,-968,483 by the Department of Antioquia.

New Counterfeit United States Note.--A new issue of the counterfeit of the United States (Buffalo) ten-dollar note has been discovered. It is the same as the counterfeit note of this issue previously reported, except the check letter has been changed from C to B and the plate number from 57 to 52.

LIBRARY CATALOGUE OF THE ST. LOUIS CHAPTER AMERICAN INSTITUTE OF BANK CLERKS.

This list contains one hundred and seventy-one works, consisting of from one to twelve volumes each, and represents books which to-day are actually in possession of the Chapter. A number more, principally foreign editions, have as yet not been received.

These books may be taken home by members under rules governing such arrangements, posted in the library.

Classification is made according to subject-matter.

TITLE.	AUTHOR.
History of American Currency	W. G. Sumner.
Money, Silver and Finance	J. H. Cowperthwaite.
United States Notes	Jno. Jay Knox.
Principles of Political Economy	Jno. Stuart Mill.
Theory of Political Economy	W. S. Jevons.
Dictionary of Political Economy (3 Vols.)	R. H. I. Palgrave.
Economics	Arthur T. Hadley.
Elements of Political Economy	E. De Laveleye.
Political Economy of Humanism	Henry Wood.
Elements of Economics (2 Vols.)	H. D. MacLeod.
Recent Economic Changes	D. A. Wells.
Wealth of Nations	Adam Smith.
Commerce of Nations	C. F. Bastable.
Distribution of Assets	Edward Atkinson.
Population	T. R. Malthus.
Public Debts	H. C. Adams.
Introduction to Study of Commerce	F. B. Clow.
Political Economy	F. A. Walker.
Industrial Freedom	D. M. Means.
Prices and Depressions	T. E. Burton.
Labor and Capital	J. P. Peters.
Money Market Primer	Geo. Clare.
Thirty Years of American Finance	A. D. Noyes.
Wall Street Point of View	Henry Clews.
Twenty-eight Years in Wall Street	Henry Clews.
American Finances	A. S. Bolles.
Independent Treasury of the United States	David Kinley.
Science of Finances	H. C. Adams.
Public Finances	W. M. Daniels.
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Appreciation and Interest	Irving Fischer.
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Stock Exchange Values	S. F. VanOss.
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Corporation Finance	Thos. L. Greene.
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A B C of Wall Street	Nelson.
A B C of Banks	G. M. Coffin.
Laws of Negotiable Instruments	C. W. Huffcutt.
Commercial Paper	C. G. Tiedemann.

TITLE.	AUTHOR.
Notes and Bills	Theo. Parsons.
Negotiable Instruments (2 Vols.)	J. W. Daniels.
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Business Law	A. R. Weed.
Commentaries on the Constitution (2 Vols)	Jos. Story.
Introduction to Commercial Law	J. W. Pomeroy.
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Law of Bills, Notes and Checks	M. M. Bigelow.
Digest National Banking Law	
National Bank Act and Meaning	A. S. Bolles.
Decisions of the Comptroller of the Currency	U. S. Government Report.
Essentials of the Law of Business	F. M. Burdick.
Elementary Law	W. C. Robinson.
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People's Banks	H. W. Wolff
The Work of a Bank	H. T. Easton.
Our Clearing System	W. Howarth.
Scottish Banking	A. W. Kerr.
English Manual of Banking	Arthur Crump.
Banks and Banking	H. T. Easton.
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The Country Banker	Geo. Rae.
Logic of Banking	J. W. Gilbart.
State Banking in the United States	G. E. Barnett.
Lombard Street	Walter Bagehot.
Free Banking: A Natural Right	J. A. B. Dilworth.
Elements of Banking	H. D. MacLeod.
PRACTICAL BANKING	C. B. Patten.
Clearing-Houses	J. G. Cannon.
Monetary and Banking Problems	L. G. McPherson.
Gilbart on Banking (2 Vols.)	J. W. Gilbart.
Canadian Banking System	R. M. Breckenridge.
Open Mints and Free Banking	Wm. Brough.
History of Modern Banks of Issue	C. A. Conant.
History of the First National Bank of Chicago	H. C. Morris.
Threadneedle Street	A. S. Cobb.
Handbook for Bank Officials	Geo. M. Coffin.
Theory and History of Banking	G. F. Dunbar.
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Federal Clearing-Houses	Theo. Gilman.
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Sound Money Monographs	W. C. Cornwell.
Monetary History of the United States	C. J. Bullock.
Story of Money	E. C. Towne.
History of Latin Monetary Union	H. P. Willis.
Weights, Measures and Money	F. W. Clark.
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Currency and Banking	Bonamy Price.
Silver Situation in the United States	F. W. Taussig.
Natural Law of Money	Wm. Brough.
Corner in Gold	F. W. Bain.

TITLE.	AUTHOR.
Indian Coinage and Currency	Probyn.
Currency and Banking Law of the Dominion of Canada	W. C. Cornwell.
Popular Fallacies Regarding Bimetallism	R. P. Edgcumbe.
The Joint Standard	Elijah Helm.
Evolution of Modern Money	W. W. Carlile.
Money and Monetary Problems	J. S. Nicholson.
Case Against Bimetallism	Robt. Giffen.
Considerations on the Currency	Albert Gallatin.
Money, Trade and Industry	F. A. Walker.
International Bimetallism	F. A. Walker.
International Money Conference	H. B. Russell.
Sound Currency in 1896 (Red Book)	Sound Currency Com.
History of Banking in Scotland	A. W. Kerr.
HISTORY OF BANKING IN THE UNITED STATES	Jno. Jay Knox.
HISTORY OF SAVINGS BANKS IN THE UNITED STATES	E. W. Keyes.
Financial History	A. S. Bolles.
Giving and Getting Credit	F. B. Goddard.
Whom To Trust	P. R. Earling.
Theory of Credit (Vol. 1, Vol. 2, Pts. 1-2)	H. D. MacLeod.
Foreign Exchange	Viscount Goschen.
A B C of Foreign Exchange	Geo. Clare.
Men and Measures of Half Century	Hugh McCulloch.
Life of Alexander Hamilton	J. T. Morse, Jr.
Salmon P. Chase	A. B. Hart.
Albert Gallatin	Jno. A. Stevens.
History of the American People (5 Vols.)	Woodrow Wilson.
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Civil Government in the United States	Jno. Fiske.
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Commerce, Accounts and Finance	
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Bulletin of the American Institute of Bank Clerks	
Dickerman's Counterfeit Detector	
Dyes' Counterfeit Detector	
The Forum	
Sound Currency	
Gast-Pauls Bankers' Directory	
Bradford Rhodes BANKERS' DIRECTORY	
Bankers' Encyclopedia	
Appleton's Universal Cyclopedia and Atlas (12 Vols.)	
Webster's Unabridged	
Chicago Bank Reports	
New York Clearing House Weekly Statements	
Twelfth Census.—Vols. 1-2, Population	
" 3-4, Vital Statistics	
" 5 6, Agriculture	
" 7-8-9-10, Manufacture	
Reports of the Industrial Commission, 1900-1901-1902	
Reports of the Commissioner of Labor from 1894 to 1901	

STATE BANKERS' ASSOCIATIONS.

MINNESOTA BANKERS' ASSOCIATION.

The fourteenth annual convention of the Minnesota Bankers' Association was held at St. Paul, July 7 and 8, J. W. Wheeler, Cashier of the First National Bank, Crookston, presiding. Addresses of welcome were made by City Comptroller Louis Betz and by Judge J. W. Lusk, President of the National German-American Bank and President of the St. Paul Clearing-House Association. Judge Lusk thought that at the present time banks should be particularly cautious in making loans. He said the banks could see the earmarks and signs of financial trouble.

President Wright, in his annual address, stated that the iron, lumber and agricultural conditions in the State were all favorable. He urged a reasonable degree of care on the part of the banks, pointing out that good weather was a favorable time for house-cleaning. Referring to currency reform plans, he said that the majority of them might be justly labeled, "A bill to assist in further expansion." President Wright also declared that, in his opinion, the management of the currency question rested largely with the strong banks of the country, and that they possessed the power to check undue speculation.

Joseph Chapman, Jr., Cashier of the Northwestern National Bank, Minneapolis, read his annual report as secretary, which was in part as follows:

"The secretary has done the best he could to advertise and push the sale of bank money orders, and the success which has met our efforts has been more than satisfactory. The association has furnished some 2,000,000 applications for bank money orders to the jobbers and manufacturers in the cities and has answered letters from all over the United States concerning the methods used by this association in advertising our bank money orders. I am in receipt of a letter from Tennessee to the effect that our plan was discussed at the Virginia and Tennessee association meetings, and would in all probability be adopted.

It has been our endeavor to start this campaign in as business-like and practical a manner as possible. It should be the business of the Minnesota Bankers' Association to push this work, as I am satisfied we have never undertaken anything which has promise of more returns to the banking interests of Minnesota than does this advertising of bank money orders. We should have a uniform Minnesota money order, and it would be my recommendation that a committee of three or five be appointed by this convention, to whom designs may be submitted by different firms making drafts, and have this committee select a design to be used as the Minnesota bank money order.

I will also call the attention of the convention to the fact that many of the banks in the State are in favor of making a uniform charge for cashing express and postoffice money orders. Regarding our protective work, our association has done excellent work along this line. * * *

During the past year we have increased our membership over 100, and have now a total membership of 582. At the Winona convention (June 19, 1900), I reported that there were 538 banks and banking institutions in the State, and that our membership at that time was 262. At that time our membership represented a banking capital of $23,928,000, while there was employed in all the banks in Minnesota, $32,655,000. Deposits represented by our members amounted to $97,440,000, while those of all the banks in the State amounted to $110,843,000. At the present time there are 765 banks in the State of Minnesota. Our association is in an active, flourishing condition."

A discussion of bank money orders was participated in by J. M. Haven, President Sherburne County Bank, Big Lake; O. H. Havill, President Merchants' National Bank, St. Cloud; A. W. Laird, Cashier Second National Bank, Winona, and A. M. Schancke, Cashier First National Bank, Elmore.

Hon. Charles N. Fowler, Chairman of the Banking and Currency Committee of the House of Representatives, spoke on "Necessary Financial and Currency Legislation," his address following the lines of several others recently delivered by him and fully reported in the MAGAZINE. Referring to the issue of a credit currency, Mr. Fowler said:

"Now, I want to speak to you in regard to this currency. It is nothing more than a personal check; so far as the public is concerned and so far as the bank is concerned, it does the same work. Let us take an illustration. Say Mr. Stickney here goes to a bank down here and says: 'I want to borrow a thousand dollars.' The banker says: 'Mr. Stickney, how do you want it?' Mr. Stickney says: 'I want you to place it to my credit, and I will put a check against it.' The next day he goes in again and wants to borrow another thousand dollars. The banker says: 'How do you want it?' 'I want it in a draft on New York.' He goes in the next day and wants to borrow a thousand dollars. The banker asks him: 'How do you want it,' and Mr. Stickney says: 'I want it in a certified check.' He goes in the next day and wants to borrow a thousand dollars. The banker asks him how he wants it, and he says he wants a Cashier's check. Now, I challenge any man, any of you bankers here to get up and tell me what the difference is between these four things to the bank. In every case that liability was a thousand dollars. There isn't the slightest difference in the world.

Now, some say, why, this would lead to speculation. About ninety per cent. of the business done in this country, in round numbers, is carried on by checks and drafts; two per cent. is carried on in coin; that leaves eight per cent. to be covered by these bank notes. Now, don't you think that while ninety per cent. is carried on by checks and drafts and two per cent. in coin, there would be something mysterious about the eight per cent. that was left, something mysterious that would lead to speculation? It is the check and draft that make speculation and which lead to an unsound condition. It would not be the bank notes. It is the banker behind the counter lending money when he ought to say no, who aids speculation. It makes no difference how you use the money after the banker gives it to you. If the bankers in New York, who could conservatively loan $100,000,000, loan $200,000,000, there is where the trouble lies. Supposing that one of you gentlemen, who are bankers in Minnesota, was a banker in Wall Street, and got some day $100,000 worth of notes. What would you do with them? What do you think you would do with them? Why, you wouldn't loan them, because no man who ever did any speculation would ever use that amount in money. He would use it in check form, check against his account, that is all, use it as a check. Hence, if you were doing business in New York and got $100,000 in bank notes, you would get $100,000 of what? Gold certificates, silver certificates, and put those in your bank. Then you could loan not $100,000 but $400,000; and that is what you are in business for. Wall Street wants reserves in order to loan largely, and not being able to hold those notes as reserves, then they would at once send them home for redemption. The life of these notes in Scotland, I think, is eighteen days; thirty days up in Canada, and in New England, before there were any railroads, telegraph or telephones, it was forty-five days. You have got a currency that is like a check, moving like a check, and when a banker gets that kind of a note he is going to send it home. Why? Because he can loan four times the face value of that note, and that is what he is in business for."

The next address was by A. L. Ward, present of the Martin County National Bank of Fairmont, on "Bank Credit to Customers."

ADDRESS OF A. L. WARD.

Mr. President, Ladies and Gentlemen—It is well it times of peace to prepare for war; and while I do not believe that an impending financial disaster is overshadowing this land, or that we are about to enter into the realms of financial darkness, it is well that we take lessons of the past. There is no vocation that equals in importance that of banking. On account of the great variety of customers doing business with them and representing different vocations which are frequently in conflict with each other, the banker should be alert, the banks well organized, not only in their national but in their State and district organizations as well, posting and aiding one another and working together for the common good. My experience is confined to country banking, where in nearly every instance the patrons are personal friends and acquaintances, of whose character, integrity and financial standing we are well informed. The country banks are not called upon to extend credit to gigantic corporations, or large commercial and manufacturing industries. The loans in the country are seldom large. It has been said, judge the future by the past. Apply that rule to business, and we find that there are years of prosperity and of expansion followed by others of contraction, depression, liquidation and loss. They are as sure to come as winter follows summer, and when they do the large institutions totter and fail. The large commercial houses and manufacturers go down the same as the small country bank and country store. The cause of it is the taking of undue risk, forgetting the lessons of the past, taking too many chances.

There is great danger in real estate speculation, both in the cities and in the North Dakota and Canadian wild lands. A time of storm, wreck, depression and loss will follow reckless expansion and speculation, and only those institutions that are safe and conservative will weather the storm. The others will go down and pull others down with them. The city banks have the advantage as to credits. They have a large number of working officials and directors, competent clerks, who hold their educational meetings and are well informed in their work. With the city banks, a bill is payable on a certain date, and it is expected to be paid or promptly renewed. They have endorsers to look to in case of protest. They do not carry overdue paper, and it takes a deposit of funds to the credit of an individual before his check is honored. There is a condition it is well for the country banks to pattern after. On the contrary, what do we see in the country banks? We see too much latitude given. It is very questionable sometimes about their paying. They do not expect to pay at maturity. I venture the assertion, that to-day not one-half of the notes in the country banks are paid at maturity; the makers relying upon their acquaintance with the officials, their supposed good financial standing, and laxity of business and competition. It has become a question of doubt or convenience to the borrower as to when he will make payment.

We find that this present year of prosperity has increased the number of country banks until I do not believe all can exist: that it will soon be a 'survival of the fittest.' While in the large cities the large institutions have merged and consolidated, in the country at every little railroad station, without regard to business situation, banks have been established, until the number is very greatly increased. The result is, that competition is becoming so fierce in the country as to cause the letting down of the bars of safety; rates are lowered, exchange furnished without charge, and discounts are reduced to an extent that there certainly can be no profit.

Then, again, we have a system in the country, which I do not believe exists in the cities, of allowing overdrafts. In a country town having less than 4,000 population, with two National banks having deposits of less than $500,000, the last call of the Comptroller showed overdrafts, in those two National banks, exceeding $26,000. The National City Bank of New York, whose deposits are equal to, if they do not exceed, the combined deposits of all the private, State and National banks in this State, showed overdrafts of less that $3,000.

This is added to and made worse by the growing practice of scattering broadcast private checks. A resident is owing such and such a party outside. He issues his check, and sends it north and south, east and west. These private checks come from Chicago, New York, St. Louis and even from the Pacific Coast. At the time they are issued he has no funds to his credit. These checks are sent with the hope and expectation that by the time, in the usual course of business, they reach home, he may be able to have a deposit. Business demands or failing to keep an accurate account of the number and amount issued, most generally result in that when presented for payment an already existing overdraft account is found. They are plastered all over with endorsements, and it means large protest fees and endangers the credit of the customer. They are a system of forcing credits and increase the overdrafts. The overshadowing evil and menace to country banks to-day is the system of overdrafts and scattering broadcast of private checks without first a deposit of funds. It is true, that there is upon the statute books of this State a law making it a criminal misdemeanor to issue a check without first having deposited the funds, but who is there of you, gentlemen, who would want to be the first to cause criminal prosecution against your patrons, friends and neighbors? Again, the banks could avoid large failures and losses, in many instances, if they were willing to work together. Confer with one another as to credit and business. Then, again, the system of accepting one-name paper is not safe, not asking other security. That may be all right in certain instances, but when acted upon as a general rule, it is an unsafe proposition.

On behalf of banks this growing tendency and desire to spread out, expand and enlarge, is the trouble and the menace that confront the business world of to-day. People are not satisfied to let well enough alone. It is true, that the world moves on, and a step forward must be constantly taken, but it should keep pace with that of safety, and when, in the desire to branch out and do a larger business, we overreach the bounds of common prudence, it is time that a halt was called. I want to say to the bankers who have a number of banks, say ten or twelve banks, that it is well enough to have them. I like to see a laudable ambition, political or in a business matter, but when you reach a certain stage where you have more to control and look after than you can very well carry, it is better to merge and contract before a financial panic makes you do so. It was that ambition to spread out which led the great Napoleon to seek other nations to conquer, and it was that ambition to spread out and branch out that caused his Waterloo. There is only one J. Pierpont Morgan and only one James J. Hill. The ability to own, control and manage the Standard Oil Company or the

Steel Trust Company, is possessed by only a limited few. As a class, bankers are very jealous and suspicious of each other. If there are three or four country bankers together, and one broaches a proposition as to management or something in connection with the business which would be mutually beneficial, the others are apt to cast a look of suspicion upon it, as a matter for careful consideration. If this association would get together, and could succeed in getting all the country banks into the association, and then try and form local organizations, it would be of great help and assistance to the country banks, such district organizations as the two now formed. I thank you for your attention.

At the second day's session Hon. Charles G. Dawes, former Comptroller of the Currency, and President of the Central Trust Company of Illinois, Chicago, spoke in opposition to a permanent issue of asset currency. but favored a properly-regulated emergency circulation. In opposing the branch banking system Mr. Dawes said:

"We have here the greatest banking system in the world. I have heard it held up to great criticism. I have heard Americans visiting in Europe say they were ashamed of our banking system or the banking system of the United States in comparison with that of Europe. We have not built up the banking system of the United States upon Continental ideas. Two lines of thought have run along side by side in financial matters in the United States: the old Banks of the United States, the first Bank and the second Bank of the United States, were the American expression of the idea of Continental banking. We did not follow along in those lines, but built up a banking system upon another theory—the banking system in the United States was built up by protecting the rights and the opportunities of the small man andthe small bank in business; built up from units, individuals, from the bottom up! The European system of centralized banks with branches was built from the top down.

It has been of the greatest importance to this nation, industrially, that we have pursued the American idea in banking. It is the same idea that underlies the theory of protective tariff. Let the little man grow. Let him have a chance. This system of ours, in 1890, was a little more than the banking power of the United Kingdom and little less than the banking power of Continental Europe; Within ten years this banking power of ours has grown so that it is now within twelve per cent., not only of the banking power of the United Kingdom, but of the banking power of the United Kingdom and of Continental Europe put together. And we have built this system up by protecting the small banker.

Now, however we may differ as to this question of branch banking, let me say right here, that as practical men we all know that at this particular time there is no chance of a branch banking law going upon our statute books. Right or wrong, debatable question as it may be, there is at this time in the United States a widespread apprehension lest this great process of centralization and consolidation of industry and of capital are not too greatly curtailing the opportunities and chances of the individual; we know that that apprehension exists. And we all know how futile it is to expect to have passed into law any change which removes existing restrictive provisions of law against the branch banking system, and opens still further the way for the same process of consolidation and centralization to go on in the banking business as is now going on in general commerce and industrial business.

I do not want to be considered an obstructionist. I think it is time to take a step in advance, but take a step that is safe. We do not want to consider the question of branch banking as a matter even for discussion among the bankers of the United States as a thing at present practicable or possible. I do not think, as a matter of principle, we can afford in this country to depart from our present theory of banking. Under it has been developed the greatest banking system of the world. The time is not ripe for branch banking in this country, if such a time ever will come. Branch banking would certainly not aid in building up our undeveloped country and the newer sections of the United States.

He who would stand for the common good of all should argue the question from the standpoint of the people building up a great and undeveloped country, for the United States as a whole is still undeveloped. If you discourage the small bank you do not injure so much the depositors of a small community but you curtail the opportunity for credit of the small borrower, and it is the small borrower of the United States who has built up the country. It is the man who goes in to start a little business, a little wholesale business, a small manufacturing business, a small mining business or some other business of small beginnings, who has developed and built up the country. He does not often have collateral. The money he borrows often forms a certain and even large proportion of the total investment made by him; money advanced him because he has character and standing with the local bank. The local banker knows him, has followed him, trusted him, and gives him credit upon his representations that he will pay—not upon his collateral. The man who will bring out from this soil its riches, the man who will be a great manufacturer, the great farmers of the future, some of them are hard up now, some are having trouble right now to pay back the little money advanced them with which to start their struggling industries by the small banker, who trusted them. Some of them will go under, but more of them will keep on, until this great State of yours, like this great nation of ours, shall dominate over its competitors through the rule of the 'survival of the fittest,' and the protection of home rights of the individual by law."

Resolutions were adopted as follows:

Be it resolved, by this, the Minnesota Bankers' Association, in convention assembled in St. Paul:

First. That we reaffirm the resolution adopted at Crookston in 1902, condemning branch banking, and hereby affirm our continued opposition to same.

Second. That we favor a uniform system of bank money orders, and request our officers to use their best efforts to bring same into general use.

Third. Resolved that we extend congratulations to the banks of the State of Minnesota on the good financial record they have made, there not having been a single failure in private State or National banks in 1902 nor to this date in 1903, and we ask the co-operation of the bank officials of the State that this record may be maintained through the ensuing year.

Fourth. Resolved, that the practice of allowing overdrafts is not conducive to good, safe, conservative banking, and we hereby express our disapproval of that mode of allowing a customer to borrow money.

Fifth. Whereas, it is a well-known fact that many corporations are issuing stocks and bonds far in excess of the value and cost of the property which they represent; and

Whereas, Such corporations, in order to pay dividends on such over-issue of stocks and bonds, charge excessive and exorbitant prices for transportation and for manufactured articles, which have to be borne by the consumer;

Therefore, be it Resolved by the bankers of Minnesota, in convention assembled, that they are opposed to and do hereby condemn the issuing of stocks and bonds by any corporation in excess of the value of the property which they represent; and we do hereby request our Senators and Congressmen to use their utmost endeavors to secure the passage of a law placing all corporations, except banks, which are under National and State control, under the control and subject to the supervision of the Bureau of Corporations in the Department of Commerce, requiring said bureau to certify to the payment of the capital of such corporations, and to the issue of all stocks and bonds, but not in excess of the value of the property which they represent.

New officers chosen are: President, A. C. Anderson, President St. Paul National Bank; vice-president, O. H. Havill, President Merchants' National Bank, St. Cloud. Joseph Chapman, Jr., Cashier of the Northwestern National Bank, Minneapolis, was re-elected secretary, and George H. Prince, Cashier of the Merchants' National Bank, St. Paul, was re elected treasurer.

IOWA BANKERS' ASSOCIATION.

The seventeenth annual convention of the Iowa Bankers' Association was held at Davenport July 28 and 29. After an address of welcome by Mayor Becker, President Homer A. Miller delivered his annual address. He stated that there were about 1,300 banks and trust companies in Iowa, of which perhaps 200 were banks affiliated with other institutions. The membership of the association is 700, leaving about 400 banks in the State not members. President Miller said that these banks were making a great mistake in not availing themselves of the advantages of membership, which are many, and the expense nominal. He briefly reviewed the work done in protecting banks from the operation of burglars and swindlers, and after commenting on the various devices resorted to to keep from paying exchange on checks, declared that a small charge should be made for exchange. In relation to co-operation in times of panic, he said:

"During the panic of 1893 I was a banker, having all of the aches and pains and experiences that most of you passed through, but in addition to this visited over 150 banks in the capacity of bank examiner, and my heart went out in sympathy for the many good, first-class, absolutely solvent banks, that were called upon for money where it was not needed by the depositor. During the years that have followed my study has been how to maintain public confidence in times of panic. Relating an actual experience which was one of many, will say that I examined a bank in the spring of 1893 that was as solvent a bank as any in the State, but was called upon a very few months later to withstand a run. They wired me to come, and I reached them early in the morning. We got many of their stockholders together, and at 9 A. M., as the people came in, they were asked to make their checks for their account, and these checks were endorsed by their stockholders, and then handed back to them. By actual count, fourteen transactions of this kind took place, and the balance of the crowd went their way, having confidence that there was something back of the bank.

The panic of 1893 was a long time ago, and if ever another does come, it certainly now looks a great way off, but you know the best time to repair a roof is when the sun is shining.

Banks represent the stability of the business world—regular investments and legitimate trading. Times like the past two years, when there was so much baseless speculation, banks served a most important purpose to the State of Iowa in carefully discriminating between legitimate and wild-cat speculation, and gradually restrained the tendency towards the latter, liquidating and keeping speculation within bounds. Although at the time many were inclined to find fault with this conservatism, it is safe to say that many a man was saved from financial ruin by the firm hand which the banks held upon the situation. Our association has in view just such combined action of banks as will sometimes help the public in times like these."

Reports by Secretary J. M. Dinwiddie and Treasurer Frank Y. Locke showed a large increase in membership and usefulness and a sound financial condition of the association.

A resolution was adopted which pledged a reward of $1,000 for the arrest, trial and conviction of any burglar who shall rob any bank, or member of the association; or $500 for information that shall lead to such disposal of the criminal. The following resolutions were also passed :

"*Resolved*, That a committee of five men be appointed whose duty it shall be to confer with and act in conjunction with a like committee appointed by the Chicago Bankers' Club, and like committees appointed by the State banking associations, to follow all proposed Federal legislation changing the present banking laws or affecting the banking interests, and to take such action relative to the same they may see best.

Resolved, That we reaffirm our former action condemning branch banking and hereby continue our opposition toward the same.

2. That we favor a uniform system of bank money orders and suggest that the president appoint a committee of three to formulate the necessary regulations for placing the system in operation among the members of the association and that the secretary procure and distribute such blanks and advertising matter as directed by said committee.

3. That we oppose the practice of many corporations now issuing stocks and bonds in excess of the actual cash value of the property which they represent, and we ask such legislation at the hands of the State and Nation as will absolutely prevent such overissues and which will result in the punishment of all parties engaging in this ruinous practice.

4. That $2,000 be transferred from the general fund to the protective fund.

These officers were chosen: President, L. F. Potter, President First National Bank, Harlan; vice-president, Frank Y. Locke, Cashier Sibley State Bank, Sibley; treasurer, D. H. McKee, Cashier Citizens' State Bank, Mediapolis. J. M. Dinwiddie, Cashier of the Cedar Rapids Savings Bank, who has been secretary of the association for fourteen years, was re-elected to that position.

BANKERS' ASSOCIATION OF ILLINOIS.

The thirteenth annual convention of the Bankers' Association of Illinois was held at Rock Island, July 28 and 29. After the customary addresses of welcome the annual address was delivered by President Andrew Russell, of Jacksonville, who said in part :

"The condition of this great country is wonderfully prosperous. 'Tis true our bank clearings on the average are no greater than they were a year ago, but I am safe in saying that the condition of the people has improved. This is shown by the increase of deposits in our Savings banks. It was but a few years ago when almost all our farmers and laborers were borrowers. Now a large percentage of them are money lenders and property accumulators. From about 1890 to 1896 the condition of the farm renters in this State was going down until the great majority of them had practically lost their all in trying to make both ends meet. Now the case is different with these self same people, most of them having accumulated property. It indeed seems marvelous.

A few years ago Wall Street was considered king. In other words, when Wall Street was prosperous the people were prosperous; now Wall Street seems to be having a tough time of it and the people seem to be paying little attention to the matter, as they are busy accumulating wealth themselves. A panic in Wall Street undoubtedly would affect the whole country, but I do not believe it would injure the prosperity of the people materially. Of course it would tie up temporarily many manufacturing and other industries, but my impression is that the prosperity cannot be permanently injured by any set of speculators. One of Wall Street's chief troubles is that it relies too much on borrowed capital in its financial operations, which is evidenced by the fact that when the western banks draw on their eastern resources for their own uses trouble begins.

Some change in our financial system undoubtedly will be necessary before long. But the people look with dread on any change unless they are convinced that such a change is a wise and safe one, and they will have nothing to do with 'wild-cat currency.' They remember too well the experience of our forefathers, and any new system will have to be explained and well understood and firmly believed in before this self-same people will consider it. And if any law or set of laws referring to a circulating medium is passed and the people believe it will impair the stability of our currency, a panic will be on indeed.

At present the average man believes that the talk of an increased volume of currency is chiefly for the benefit of the Wall Street operator and not for the purpose of moving crops. The bankers, I am happy to say, do not believe this, by any means.

The present State banking law is familiar to all of those present. It prevents the issue of bills and enforces strict business principles. The best evidence of its success and the confidence in which it is held by the people is shown in the fact that the resources of the State banks have increased during the last year more than $124,000,000.

Every banker in Illinois can congratulate himself to-day on the outlook. Never in its history has the State been in so prosperous a condition."

Several addresses were made, most of the bankers regarding the asset currency scheme as of rather doubtful propriety. One speaker said: "We would better squeeze the water out of our industrial stocks and bonds than put rubber into our currency."

A resolution was passed favoring the appointment of a committee to look after currency legislation, the resolution being the same as that passed by the Iowa Bankers' Association.

President Andrew Russell of the Illinois association appointed in pursuance of the foregoing the following committee: E. J. Parker, Quincy; Phil Mitchell, Rock Island; Thomas D Catlin, Ottawa; J. S. Aisthorpe, Cairo, and August Blum, Chicago.

Homer A. Miller, of Des Moines, President of the Iowa Bankers' Association, appointed the following committee: J. T. Brooks, Kedrick; C. B. Mills, Clinton; S. L. Ely, Davenport; L. F. Potter, Harlan, and G. D. Ellyson, Des Moines.

The Bankers' Club, of Chicago, is said to have initiated the move, and has appointed a conference committee consisting of J. B. Forgan, James H. Eckels, Orson Smith, E. A. Hamill, and John J. Mitchell.

The second day was devoted to a joint session of the Iowa Bankers' Association and the Bankers' Association of Illinois, Hon. Charles N. Fowler and others delivering addresses.

Officers of the Bankers' Association of Illinois were chosen as follows:

President—William George, President Old Second National Bank, Aurora.

First Vice-President—E. D. Durham, of Durham Bros.' Onarga Bank, Onarga.

Secretary—Frank P. Judson, Cashier Bankers National Bank, Chicago.

Treasurer—H. C. Hamilton, President Bank of Girard.

Vice-Presidents—Harry Higbee, Pittsfield; Frank G. Nelson, Chicago; B. R.

Hieronymus, Springfield; W. T. Robertson, Rockford; John H. Miller, McLeansboro.

[NOTE.—The conventions of the bankers' associations of Illinois and Iowa were held so near the publication date of the MAGAZINE that an extended report of the proceedings could not be published in this issue.]

INDIANA BANKERS' ASSOCIATION.

The Indiana Bankers' Association will hold the seventh annual convention at South Bend, Wednesday and Thursday, September 9 and 10. It is expected that this convention will be a red-letter one in the history of the association, as splendid entertainment is promised by the bankers of South Bend.

NEBRASKA BANKERS' ASSOCIATION.

The next convention of this association will meet at Lincoln, Tuesday and Wednesday, October 13 and 14.

This date was chosen with special reference to the meeting of the American Bankers' Association, at San Francisco, and bankers are cordially invited to arrange their trip to the coast with reference to meeting Nebraska bankers at this convention.

If transportation is through Omaha, arrangements can be made to stop over and attend the convention, Lincoln being but a ninety-minute run from Omaha.

OHIO BANKERS' ASSOCIATION.

The thirteenth annual convention of the Ohio Bankers' Association will be held at the Great Southern Hotel, Columbus, Wednesday and Thursday, September 23 and 24.

WISCONSIN BANKERS' ASSOCIATION.

The ninth annual convention of the Wisconsin Bankers' Association was held at Milwaukee, August 5 and 6. A report of the meeting will appear in the next issue of the MAGAZINE.

Bank Notes and Checks.—The assertion that bank checks can be made a perfect substitute for bank notes seems to ignore the fact that the average man does not have an account against which he can check. Hon. Chas. N. Fowler, Chairman of the Banking and Currency Committee, in his address before the recent convention of the Minnesota Bankers' Association, said: "If all the farmers and farm laborers and small storekeepers were accustomed to the use of checks, there would be no use for any currency expansion in this country.

It has been said that a bank can as readily lend its credit in the form of a credit on its books as in the shape of bank notes. But the borrower may want to use money, or something that passes as money, instead of notes; and besides, while a bank may profitably make small loans it cannot make any profits from small accounts. This may be a defect in banking machinery, which might be remedied to some extent by the branch system. But the introduction of branch banking would destroy the free independent system of banks, which has done so much to develop the country's resources.

Before checks can be made to take the place of bank notes, there will have to be radical changes in the customs of the general public, and more effective means will also have to be devised for the clearing of country checks.

CANADIAN BANKING, COMMERCE AND MANUFACTURES—A QUARTERLY REVIEW.

A review of the banking, commerce and manufactures of the Dominion of Canada shows that there was a healthy expansion in nearly all departments of business during the first half of 1903.

The increase in population, through the influx of settlers to the West, the arrival of artisans attracted to the Dominion by the greater demands in the manufacturing centres, and the growing wealth of individuals, tend to enlarge the volume of commercial activity, and this development is reflected in the establishment of new industrial and mercantile enterprises in all portions of the country.

As to the outlook for trade the future is full of promise. The general condition of the crops is good. The dairying interests are showing a steady expansion, the cattle export trade is large and profitable, manufacturing in various lines has shown a steady increase, and the construction of works on a large scale, railway building and other extensive undertakings, present and prospective, must in the future prove an important factor in the purchasing power of the West.

There was a remarkable falling off in the number of failures in Canada during the first half of 1903 as compared with 1902, a decrease in liabilities of $650,000, and a decrease in assets of $130,000.

Immigration is increasing at a rapid rate, the total arrivals for the fiscal year ending June 30 being 124,658, an increase of 57,279 over 1902. Railway earnings, clearing house returns, figures of foreign commerce and bank statements all combine to show a continuance of the present prosperity of the country.

Revenues and Expenditures.

The financial year ending June 30 has been one of unprecedented prosperity for Canada. The revenue on consolidated account amounted to the enormous sum of $63,739,271, giving a surplus of $22,290,168 over ordinary expenditures, and of $15,060,075 over all expenditures combined. All the receipts for the financial year are not yet in. When paid they will augment the total revenue by about a million and a half. A number of liabilities incurred during the past twelve months have also to be met. It is not thought, however, that the totals given above will undergo any material change, as the receipts and expenditures still to come will about balance each other. The increase in revenue in 1902–3, as compared with 1901–2, amounts to $7,435,577. The ordinary expenditure underwent a reduction of $806,218, and the capital expenditure a reduction of $4,302,062.

Following is a detailed statement of the receipts and expenditures:

Revenue.

	Total to June 30, 1902.	*Total to June 30, 1903.*
Customs	$31,945,651	$36,678,836
Excise	11,116,790	11,923,424
Post office	3,787,025	4,264,808
Public works, including railways	6,380,723	7,004,076
Miscellaneous	3,123,503	3,868,124
Total	$56,303,694	$63,739,271

Expenditure.

	Total to June 30, 1902.	Total to June 30, 1903.
Expenditure (consolidated account)	$42,255,316	$41,449,103
Expenditure (capital account):		
Public works, railways and canals	8,084,739	3,979,541
Dominion lands	312,308	357,746
Militia capital	183,424	160,191
Railway subsidies	2,093,939	1,387,032
Bounty on iron and steel	600,180	1,242,218
South African contingent	258,777	126,330
North-Western Territory rebellion	1,214	2,967
Total capital expenditure	$11,532,155	$7,230,093

CANADIAN TRADE INTERESTS.

The foreign trade of Canada has expanded greatly during the past year and is additional evidence of the great commercial activity apparent in all parts of the Dominion, and a proof of expanding enterprise in manufacturing and commercial circles.

The aggregate foreign trade for the year, which embraces the total imports and total exports of domestic and foreign produce, amounted to no less than $467,637,-049, which is an increase of $43,750,000 over the trade of the fiscal year 1902. On the basis of imports which actually entered into consumption, and Canadian produce only, exported, the trade for the year amounted to $448,188,999, as compared with $398,811,358 for the previous year, or an increase of $49,377,641. On this basis Canadian trade has more than doubled in the last seven years, as appears from the following figures: Trade of 1903, $448,188,999; trade of 1896, $220,502,817.

The exports of domestic produce for the year totaled $214,401,674. This is an increase of $18,381,911 over the previous year, and nearly double the domestic exports for the year 1896, when they amounted to $109,915,337. The exports of animals and their products and the products of the farm figured up to $114,441,863, as compared with $96,313,897 for the previous year. In 1896 they amounted to only $50,591,002. In the last seven years, therefore, such exports have increased by about 130 per cent. The exports of produce of Canadian forests show an increase of $4,000,000 for the year, the total amount being $36,386,015. This is an increase over 1896 of $9,000,000. The exports of manufactured articles produced in Canada continue to increase in generous proportions. Last year they totaled $20,624,967, as against $18,462,970 for the previous year.

The free list, which largely comprises raw materials for manufacturers, shows a remarkable expansion in imports, thereby indicating great activity in manufacturing circles. In 1903 the free goods imported, less coin and bullion, amounted to $88,023,738, an increase of $10,000,000 over the previous year, and of $50,000,000 over 1896.

SATISFACTORY CONDITION OF MANUFACTURING.

The manufacturing industries of Canada continue to show a most satisfactory condition. The increasing consumptive demand, owing to the greater prosperity of the country, and the continued flow of settlers to the West, still continues to expand the demand of that portion of the Dominion for all classes of staple manufactures. The exports still continue to increase in generous proportions. The large increase in the imports of raw materials, for manufacture by Canadian people into finished goods, is a most gratifying feature, showing as it does the enterprise of Canadian manufacturers, proving the advantages of manufacturing within the Dominion, and indicating the increasing distribution of funds among the industrial classes.

Factories and mills are now being taxed to the utmost capacity to meet the demands of the country, and labor is well employed and well paid. Industrial and mercantile enterprises are being established in all parts of the country, and the enlargements of plants is going on at a pace which is unexampled, the new species of manufactures established exceeding all previous records.

Rail and Water Transportation

The transportation business of Canada is in a very prosperous condition at the present time, the earnings of railways and other transportation companies being very large. In expectation of the tremendous crop yield this year in Manitoba and the Territories, the railways are increasing their hauling capacity very greatly, in order to carry the product to market, and, even with large additions to rolling stocks being made, the railways expect to be taxed to their utmost to handle it.

The earnings of the Canadian Pacific Railway for the year ending June 30 were $43,880,800, an increase of $6,877,747 over 1902.

The half-yearly report of the Grand Trunk Railway shows that the earnings of the main line for the six months ending June 30 were, for 1903, $18,894,500 gross and $3,987,500 net, compared with $11,896,000 gross and $3,868,500 net for the same period in 1902.

The total freight carried on the two "Soo" Canals in June last was 5,105,078 tons, of which eastbound was 3,967,071 tons and 1,138,007 tons westward.

The Canadian "Soo" was used by 686 vessels, or 24.72 per cent. of the whole; the registered tonnage of the Canadian carried vessels was 734,269, or 18.32 per cent. of the whole registered tonnage passing through the Soo canals.

The total freight carried through the Canadian canal was 917,105 tons, of which 721,142 tons was eastbound and 195,963 tons westbound. The proportion of the freight of the two canals carried by the Canadian was 18.17 per cent., eastbound and westbound 17.19 per cent.

The freight carried by the Canadian "Soo" in June, 1903, was 201,459 tons less than in June, 1902.

The Canadian eastbound freight carried in June, 1903, was 178,991 tons less than in June, 1902, and the westbound freight was 22,468 tons less than in June, 1902.

The Canadian canal for the three months of 1903 shows a total of 1,668 passages, which is 220 less than in 1901.

The tonnage of shipping passed through the Canadian "Soo" for the three months of 1903 was 1,544,565 tons, which is 100,975 less than in the three months of 1902.

The freight carried by the Canadian canal in the three months of 1903 was 1,713,-615 tons, which is 62,863 tons more than in 1902.

During the months of May and June the number of tons of freight handled by the Soulanges Canal was 88,927 compared with 90,090 tons in the same period last year. On the Cornwall Canal during these months, the freight handled was 90,072 tons compared with 23,599 tons last season.

Agricultural Development.

The agricultural interests of Canada are in a most prosperous condition. The development of the harvest in fruit, grain and root crops fulfills the most roseate of early predictions, and as the basis of the prosperity of the Dominion is the yield from the soil, every line of business will derive material advantages from the fulfillment of these favorable prospects.

This year's crop in Manitoba and the Territories bids fair to surpass in quantity that of last year, and the condition of the growing crop over the whole country is excellent. Carefully prepared crop bulletins give the estimate for Manitoba for this coming harvest as follows:

Acres under wheat	2,442,873
Acres under oats	855,431
Acres under barley	326,537
Acres under flax, etc	63,156
Making a total acreage under crops	3,687,997

This is an increase in the cultivated area over last year of 547,852 acres. The yield last year amounted to 100,052,000 bushels, or an average of thirty-two bushels per acre. The appearances are that this year's average will equal that of last, so that the total yield is estimated at 116,016,000 bushels, an anticipated increase this harvest of 15,964,000 bushels for Manitoba alone.

Last year the Northwest Territories had about 885,250 acres under cultivation. This year they will probably have over one million acres cultivated, with 32,000,000 bushels as the total yield.

This gives a total acreage under cultivation for Manitoba and the Northwest of 4,670,770 for this year, an increase over last year of 641,518 acres, with a probable total grain yield of 150,000,000 bushels, being an increase of at least 21,000,000 bushels over 1902.

The fruit-raising interests are generally in a satisfactory condition, as are also dairying and stock-growing.

Banks and Banking.

In nothing has the extraordinary tide of prosperity been so much in evidence as in the statements presented at the annual meetings of the Canadian banks, which show another year of increased earnings and expanded business. The figures show that the trade and commerce of the country and its general position are sound and satisfactory. There never has been such a high average all round of good bank reports as there has been this year. The most remarkable thing about these reports is that they are so uniformly of a favorable character. There has not been a single drawback; not a single poor report amongst them, and some have made exceptionally large earnings. This is a state of things that has never been known before in the history of banking in the Dominion.

The statements of the Canadian chartered banks for April, May and June, 1903, are presented below. They show capital, reserve, assets and liabilities, average holdings of specie and Dominion notes, etc.:

Liabilities.	*April, 1903.*	*May, 1903.*	*June, 1903.*
Capital authorized	$93,826,666	$95,826,666	$95,826,666
Capital paid-up	75,448,729	75,979,565	76,660,301
Reserve funds	46,258,442	47,608,280	47,973,814
Notes in circulation	$55,877,647	$56,949,119	$58,865,845
Dominion and provincial Government deposits	$6,122,332	$7,666,491	$8,005,066
Public deposits on demand in Canada	110,474,577	109,397,451	111,298,423
Public deposits at notice	265,437,364	266,785,156	267,639,035
Deposits outside of Canada	36,276,446	37,442,446	36,235,655
Bank loans or deposits from other banks, secured	745,061	808,175	676,068
Due to other banks in Canada	2,803,514	3,323,674	3,842,403
Due to other banks in Great Britain	10,836,344	9,195,745	8,180,064
Due to other banks in foreign countries	1,120,748	1,482,551	1,025,337
Other liabilities	12,693,227	12,746,722	12,281,956
Total liabilities	$502,387,336	$505,747,605	$506,049,963

Assets.	*April, 1903.*	*May, 1902.*	*June, 1903.*
Specie	$14,280,598	$14,517,991	$14,464,063
Dominion notes	26,085,124	28,349,046	29,092,337
Deposits to secure note circulation	2,802,931	2,802,931	2,869,992
Notes and checks on other banks	14,801,068	15,638,763	19,429,914
Loans to other banks, secured	745,556	798,104	676,157
Deposits with other banks in Canada	3,973,658	5,128,427	5,422,247
Due from banks in Great Britain	2,759,586	508,915	1,725,774
Due from other banks in foreign countries	13,176,513	18,255,648	15,221,888
Dominion or provincial Government debentures or stock	11,890,052	12,604,812	11,760,805
Other securities	52,781,764	52,328,325	52,376,054
Call loans on bonds and stocks in Canada	46,661,402	44,286,045	40,876,987
Call loans elsewhere	38,267,156	38,237,824	39,509,716
	$228,225,403	$233,456,831	$233,425,934
Current loans in Canada	$353,170,949	$358,063,500	$363,329,271
Current loans elsewhere	32,674,376	27,216,080	21,943,598
Loans to Dominion and Provincial Governments	2,695,158	2,586,320	1,641,117
Overdue debts	1,880,277	1,911,018	1,978,025
Real estate	863,218	842,176	840,775
Mortgages on real estate sold	760,824	752,360	738,665
Bank premises	8,173,742	8,230,738	8,306,310
Other assets	6,317,900	5,070,665	9,781,040
Total assets	$634,762,038	$638,123,930	$641,985,372
Average amount of specie held during the month	$13,649,719	$13,872,063	$14,067,030
Average Dominion notes held during the month	24,669,639	26,822,892	28,651,860
Greatest amount notes in circulation during month	60,033,041	58,255,828	59,865,662
Loans to directors or their firms	11,795,422	11,447,333	11,954,418

The statement for April, 1903, shows that there was a considerable expansion in the aggregate of current loans and discounts over that of the month of March, 1903, and, at the same time there is a distinct decline in call loans between April and March. While circulation is lower, there is a continued growth in deposits. A noticeable point in the statement, too, is the small relative amount of the items among assets of overdue debts, mortgages and real estate other than bank premises.

The statement for May, 1903, shows that the note circulation has increased over a million dollars compared with April. There has been a further reduction in call loans in Canada to the extent of upwards of two millions, but call loans outside of Canada remain practically unchanged.

The contraction in loans by Canadian banks during June, 1903, was the chief feature of the statement. There was a net decrease at home and abroad in the call loans of $2,100,000, the cause being the large liquidation in stocks and the restriction in business on the Canadian markets. The trade advances or mercantile loans increased in Canada $5,300,000, but the current loans abroad show a contraction equal to the expansion in the Canadian loans. The call loans at home last year increased during June $4,500,000, and the call or short loans elsewhere in Canada increased during that month by $8,100,000, while the current loans in Canada decreased in June, 1902, $3,000,000, and those outside decreased some $300,000. Comparing June, 1903, with the same month in 1902, the results are much more satisfactory in every way. The total call loans by the Canadian banks in June aggregated in round figures $80,300,000, against $92,100,000 in June, 1902. The trade loans of the Canadian banks for June amounted to $385,200,000, against $326,700,000 in June, 1902. The total loans aggregated $465,500,000 against $418,800,000 in June, 1902. The note circulation for June shows an expansion of $1,916,000 to $58,865,000, and compared with the same month last year the total is $4 912,000 larger. The public deposits increased during June last to $1,901,000 for those on demand, and those on notice increased $854,000, while the deposits elsewhere than in Canada decreased $1,207,000. The total deposits of the three classes in June, 1903, compare as follows with the same items for June, 1902:

	1903.	1902.
Demand	$111,298,000	$105,137,000
Notice	267,639,000	239,812,000
Elsewhere	36,235,000	35,731,000
Total	$415,172,000	$380,680,000

It will be seen that the total loans of the chartered banks in June exceeded by $34,492,000 the total loans in June last year. In this connection it is interesting to note that the paid-up capital of the banks, according to the current statement, is $76,660,000 against $69,584,000 a year ago.

The following figures of the note circulation taken from the Government statements for some years indicate the effect of the crop movement on the circulation:

	August.	*September.*	*October.*
1902	$55,035,000	$60,965,000	$65,928,000
1901	51,352,000	56,027,000	57,954,000
1900	47,421,000	50,387,000	53,198,000
1899	41,446,000	46,682,000	49,588,000
1898	37,299,000	40,071,000	42,543,000

Application is being made for the incorporation of the Alliance Bank of Canada. This is one of the most important transactions in the history of the maritime banks. Negotiations are afloat to amalgamate a number of the smaller banks in the Maritime Provinces, the Bank of New Brunswick and the People's Bank being included in the plans of the promoters. According to the last Government statement of the chartered banks, these banks have a total paid-up capital of $1,680,000, and a total reserve of $1,420,000.

The Bank of Montreal has recently absorbed the Exchange Bank of Yarmouth. The transaction illustrates the wish of the large Canadian banks to enlarge their sphere of operations in the Eastern Provinces. By this purchase the Bank of Montreal will have nine branches in the Maritime Provinces.

Canadian bank clearings for the dates named at three of the leading cities, with comparisons were:

	July 23, 1903.	*July 16, 1903.*	*July 24, 1902.*
Montreal	$21,538,948	$29,951,684	$19,459,242
Toronto	14,204,293	18,787,649	18,905,864
Winnipeg	4,503,489	4,903,589	3,229,942

The Minister of Finance has given notice of a resolution giving the Government power to increase the issue of Dominion notes from $20,000,000 to $30,000,000, with a reserve in gold or debentures of twenty-five per cent., guaranteed by the Imperial Government. For all notes issued in excess of $20,000,000 the Government holds dollar for dollar in gold. The same will apply to all notes in excess of $30,000,000. The present issue of Dominion notes, $15,000,000, is unsecured, and rests upon the general credit of the country, and the reserve of $5,000,000 is protected by a deposit of gold. Under the present amendment the increased notes will amount to $22,500,000, and the reserve to $7,500,000. The latter sum is to be applied to the creation of a gold reserve of ten per cent. for the protection of deposits in the Government Savings Banks, amounting to about $60,000,000. Six millions out of the $7,500,000 will be devoted to this purpose. In the event of the amount held as security for the redemption of Dominion notes not being sufficient to pay the Government notes presented for redemption, or should the amount so held be reduced below the required amount, it is proposed to authorize the Dominion Government to raise a loan to make good the deficiency.

BANKING AND FINANCIAL NEWS.

This department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—On July 13 Charles Mailey, a messenger of the National Bank of Commerce, completed his fortieth year of service in that institution. He has been the confidential carrier of gold and paper money in all that time, and has handled over a billion of dollars. The payment for Alaska by the United States passed through his hands in gold, and he had the handling of the millions which were furnished to the Government by the bank during the war.

On the day after the Jay Cooke failure in 1873 he turned into the bank a thousand-dollar gold certificate and a five-hundred-dollar gold certificate. The receipt of the money was duly entered in his book, but the money disappeared, and its loss caused much anxiety to those responsible for it. Ten years later, in 1883, the money was found by pickers in a paper paper-mill in Boston, and was duly returned. It had gone in the waste paper from the bank.

Mr. Mailey was congratulated by the officers and clerks upon his long term of service. He has remained a messenger from choice, to escape the confinement of desk work.

—The Bowery Savings Bank has put in operation a system of "banking by mail," by which any one in any part of the world can open an account with the bank, and thus draw interest on money which he might otherwise spend or lose.

—Plans have been filed with the Building Bureau for a new ten-story apartment house with a banking house on the ground floor, to be built at the southeast corner of Fifth avenue and Sixtieth street for the Fifth Avenue Estates, of which Warner M. Van Norden is president. The office will have a portico front on Fifth avenue with columns and a facade of marble, brick and terra cotta. The building is to cost $500,000, and the offices will be occupied by a trust company.

—John Gerken is the new President of the United National Bank, succeeding Henry W. Gennerich, resigned.

—Stockholders of the Stuyvesant Heights Bank, Brooklyn, have voted to increase the capital of the bank from $100,000 to $200,000.

—Louis H. Holloway, who has been connected with the Nineteenth Ward Bank for eighteen years, recently resigned as Cashier of that institution to become Vice-President of the Mechanics and Traders' Bank and to have charge of the branch of that bank at Madison avenue and Fifty-ninth street.

—J. H. Davis has been appointed an additional Assistant Cashier of the Seaboard National Bank.

—Bird S. Coler recently resigned as President of the Guardian Trust Co. and was succeeded by F. W. Woolworth.

—Joseph Andrews succeeds Edward T. Hulse as Assistant Cashier of the Bank of New York National Association.

—Greater New York's forty-eight trust companies had resources July 1, 1903, aggregating in excess of $1,000,000,000. This aggregate is $50,000,000 increase over July 1, 1902, when the resources of all the forty-three trust companies then in existence was $996,946,916.

—M. Bauer, president of New York Chapter American Institute of Bank Clerks, has appointed the following delegates and alternates to represent New York Chapter and banks at the convention of the American Institute of Bank Clerks to be held in Cleveland, Ohio, on September 18 and 19, 1903:

Delegates—J. C. Martine, National City Bank; R. Hockey, Bowling Green Trust Company; J. F. Flaacke, Chemical National Bank; J. L. Miller, National Shoe and Leather Bank; C. C. Dickson, Title Guarantee and Trust Co.; W. M. Rosendale, Market and Fulton National Bank; G. H. Kretz, National Park Bank; J. A. Neilson, Brown Brothers & Co.; R. J. Phair, Fifth Avenue Bank; O. H. Cheney, Garfield National Bank; F. A. Knolhoff, Irving National

Bank; H. L. Braynard, Gallatin National Bank; S. Ludlow, Jr., Fourth National Bank: M. Bauer, delegate at large, American National Bank.

Alternates—F. W. Black, North American Trust Co.; E. F. Feickert, Plainfield Trust Co.: M. A. Fowler, Bank of the Metropolis; J. C. Emory, Seaboard National Bank; W. H. Purdy, Chase National Bank; C. S. Wandling, New York Savings Bank: Frank R. DeLuise, National Bank of North America: N. D. Alling, Nassau Bank; A. L. Ward, Van Norden Trust Co.: C. A. Ingalls, First National Bank, Stapleton, Staten Island; W. S. Pulsford, Merchants' National Bank; E. N. Wilson, Hanover National Bank; E. M. Riley, Central National Bank.

The banks from which these delegates and alternates have been selected have been requested to aid the young men in their effort to attend. Chapters from other cities are taking an active interest in the affair, and from reports which are coming in it is anticipated that the attendance will be large and enthusiastic. New York city should, of course, not be behind in the support of the work being done by the institute members, and for this reason special efforts are being made to insure all of the delegates appointed being in attendance. The men in charge of the New York delegation hope to send at least a car-load of delegates to represent the three chapters in Greater New York.

NEW ENGLAND STATES.

Boston.—Thomas N. Hart, who has been President of the Mount Vernon National Bank, recently resigned that office, continuing as a director. John H. Allen was elected President and J. Adams Brown, Vice-President.

—James B. Case has been elected Acting President of the National Bank of the Redemption, succeeding John E. Toulmin, deceased. Mr. Case has been a director of the bank for over fifteen years.

New Hampshire Banks.—The Board of Bank Commissioners has tabulated the results of the annual balancing of all the Savings banks of New Hampshire, and an increase in deposits is shown during the year of more than $3,600,000. The total resources of the banks have risen during the year from $70,725,954 to $73,563,211, an increase of $2,837,256 and an average of $473.65 to every depositor. The total surplus is about $10,000,000 above the sums due the depositors.

MIDDLE STATES.

Philadelphia.—The Tradesmen's Trust and Saving Fund Co. has changed its title to the Tradesmen's Trust Co.

Baltimore.—The Union Trust Company's Savings department has absorbed the business of the Monumental Savings Association.

—Messrs. Hambleton & Co. have taken possession of their new banking-house at No. 10 South Calvert Street. The new building, which will be for the exclusive occupancy of the firm, is one story high, twenty-seven feet wide and 160 feet long, and has a large burglar-proof vault and other modern equipments.

Pittsburg.—John S. Scully, President of the Diamond National Bank, has sold his holdings of the stock of that bank to a syndicate and has retired from the presidency. He remains President of the Diamond Savings Bank.

—The control of the Standard Security Trust Company of Pittsburg has passed to the Real Estate Company.

—Papers recently filed at Harrisburg for the merging of the American and Pennsylvania Trust Companies have been approved by the Governor and have been forwarded to Pittsburg. This is the step taken to bring together the two trust companies prior to their merger with the Colonial Trust Company. The capital of the new American Company is $2,300,000. The company in its new shape will be in compact legal form to be taken over by the greater Colonial Trust Company when the plans of that corporation are completed. Further steps in the general merger are to be taken in the near future.

Newark, N. J.—The Fidelity Trust Company of Newark, recently made public its semi-annual statement.

During the last six months the company's assets have increased over $13,000,000. The deposits are over $23,000,000, an increase in six months of nearly $9,000,000. The company has added $462,000 to the undivided profit account, after paying a dividend in January last at the rate of twenty per cent. per annum.

—On July 23 circulars were issued describing the plans for merging the Essex County National Bank and the National Newark Banking Co. It is proposed that the capital of the consolidated bank shall be $2,000,000 and surplus $3,000,000.

New York Savings Banks.—Superintendent Kilburn on July 31 completed his tabulation of the reports of the 127 Savings banks of New York State, showing their condition on July 1. The total resources of the banks are $1,221,425,001, as compared with $1,167,683,337 July 1, 1902, and $1,191,330,573 on January 1 last. The amount due depositors is $1,112,418,552, and the surplus funds, figured on the market value of stocks and bonds owned, is $108,454,320. The number of open accounts in the banks is 2,327,812. A year ago the banks held for depositors $1,051,689,186, and surplus funds, at the market value, were $115,540,560. The number of open accounts was 2,229,661.

The amount of money deposited in Savings banks during the year ended June 30 last was $300,545,611, and the amount withdrawn, $275,747,504, with interest paid amounting to $35,-942,167. For the previous year deposits aggregated $290,840,380 and withdrawals, $259,674,822. The interest paid was $34,189,610.

The current expenses of the banks for the last six months were $1,567,998, as compared with $1,425,288 for the corresponding period last year.

SOUTHERN STATES.

Atlanta, Ga.—At a recent regular meeting of the board of directors of the Lowry National Bank, the board after declaring the usual semi-annual dividend of four per cent., elected Henry W. Davis Assistant Cashier. Mr. Davis became connected with the Lowry National Bank thirteen years ago, and prior to that he had been associated with the Atlanta National for some time.

Petersburg, Va.—George J. Seay, who has been connected with the Petersburg Savings and Insurance Co., and for nine years Cashier, resigned recently to become a partner in the firm of Scott & Stringfellow, bankers and brokers at Richmond. Peyton M. Pollard, for five years Assistant Cashier, has been elected Cashier, and James D. Mason, for some years connected with the insurance department, has been elected Assistant Cashier. Mr. Seay will remain a director of the company.

New State Banks in Mississippi.—A report of State Auditor Cole, of Mississippi, for the year ended June 30 shows that there have been twenty-four new State banks organized and established in the past year. On the same date the amount of capital paid in was over $6,500,000, or an increase over the previous year of $1,086,982. The increase in individual deposits during the year was nearly $5,000,000. The amount of individual deposits of State banks was, in round numbers, $20,000,000.

Baton Rouge, La.—At the recent semi-annual meeting of the board of directors of the Bank of Baton Rouge a dividend of 7½ per cent. was declared, and the surplus fund was increased $25,000, making the total $200,000, on a capital of $50,000. Deposits on July 1 were $642,000 and total resources $1,006,047.

Growth of New Orleans Banks.—Manager Edward Herndon, of the New Orleans Clearing-House, has prepared a statement which shows that on June 30, 1899, there were fifteen banks in New Orleans with capital representing $4,580,200, having surplus and profits of $3,443,893; deposits amounting to $28,864,060; loans reaching $19,727,510, and resources amounting to $38,013,980. On June 30, 1903, there were nineteen banks; capital, $7,980,200; surplus and profits, $7,586,594; deposits, $58,079,600; loans, $45,076,220, and total resources, $77,356,346. All of this practically shows a doubling in resources, almost a trebling in loans and heavy increases in surplus and profits and in capital.

Resolutions of Virginia Bankers.—At the convention of the Virginia Bankers' Association, held at Lynchburg June 19, the following resolutions were offered by Geo. J. Seay:

"*Whereas*, By act of Congress approved March 14, 1900, the dollar consisting of 25.8 grains of gold, nine-tenths fine, was made the standard unit of value in the United States, by which the value of all property shall be measured, tested and proved; and

Whereas, By the provisions of the said act the notes of the United States known as greenbacks, amounting to $346,681,016, together with the notes of the United States known as Treasury notes, given for the purchase of silver bullion, amounting at that time to $86,770,-000, all of which notes, being used as currency, passing from hand to hand, each dollar for the value of a gold dollar, were expressly made redeemable in standard gold coin; and

Whereas, There are other forms of currency in daily use among the people, passing from hand to hand, each dollar for the value of a gold dollar, equally based upon the good faith and credit of the United States, and equally entitled to be measured, tested and proved by the same standard of value; and

Whereas, It was declared in terms in the said act that all forms of money issued or coined by the United States should be maintained at a parity of value with this standard; therefore, be it

Resolved, That we, the members of the Virginia Bankers' Association, in convention assembled, believe it to be wise that all forms of currency should be made equally redeemable in standard gold coin, and that only by such provision can parity at all times and under all circumstances be effectively maintained, and that failure to so provide for the redemption of all forms of currency alike in the standard unit of value will continue to be construed as a discrimination against such forms as are not made so redeemable, and that we further believe that 'The only thing that can be done to make our financial system sound and safe and solid, is to get down to one legal tender, and that is gold, and then to bank upon a currency circulation enlarged beyond the present authorized issues of the National banks, and based upon the credit of the legitimate trade of the country and rigidly safeguarded under the law;' therefore, be it further

Resolved, That we urgently recommend, 'That proper laws be promptly enacted to render the gold standard inviolate, and, to that end, that the Secretary of the Treasury be directed to maintain at all times on a parity with gold the legal-tender silver dollars remaining outstanding, and that he be directed to exchange gold for legal-tender silver dollars when presented to the Treasury.

That the coinage of one million and a half of silver dollars per month, now required by law, should cease.

That the Secretary of the Treasury should be authorized to coin the silver bullion in the Treasury into such denominations of subsidiary silver coin as he may deem necessary to meet public requirements, and, as public necessities may demand, to recoin silver dollars into subsidiary coin;' and be it further

Resolved, That these resolutions shall be offered before the American Bankers' Association at its next convention."

A copy of the foregoing resolutions, along with a copy of the address made by Mr. Seay on the Aldrich and Fowler bills, has been forwarded to each member of the Virginia Bankers' Association, in accordance with a resolution adopted by the convention in Lynchburg, to the effect that a special committee be appointed to obtain the vote of each member of the association for or against the resolutions.

Louisiana State Banks.—Following is a statement of the condition of the 102 State banks, Savings banks and trust companies of Louisiana as reported to Bank Examiner L. E. Thomas on June 17 (cents omitted):

RESOURCES.	
Demand loans	$10,112,320
Loans secured by mortgage	4,527,866
Other loans and discounts	21,591,904
Overdrafts secured	1,081,585
Overdrafts unsecured	414,715
Overdrafts due by directors of the bank	23,084
Overdrafts due by officers of the bank	9,784
United States bonds	6,620
Louisiana State bonds	274,238
Other bonds, stocks, securities, etc.	3,762,858
Banking house furniture and fixtures	1,172,127
Other real estate owned	924.791
Due from banks and bankers	9,183,003
Checks for clearing-house	1,196,705
Checks and other cash items	217,708
Gold coin	198,805
Silver, nickel and copper coin	474,077
National bank notes and all issues of United States Government	3,416,587
Suspense account	59.763
Total	$58,648,495

LIABILITIES.	
Capital stock paid in	$8,275,700
Surplus	4,259,883
Undivided profits, less expenses and taxes paid	1,198,035
Due to other banks and bankers	4,200,365
Dividends unpaid	23,488
Individual deposits bearing interest	10,857,132
Individual deposits not bearing interest	25,630,837
Certificates of deposit bearing interest	2,140,232
Certificates of deposits not bearing interest	191,279
Certified checks	178,993
Cashier's checks outstanding	83,755
Bills payable	1,540,165
Notes and bills rediscounted	537,995
Amount due to persons not included in the foregoing	36,131
Total	$58,648,495

WESTERN STATES.

Minneapolis.—James Raymond has retired from the Presidency of the Northwestern National Bank on account of continued ill health, and has been succeeded by Wm. H. Dunwoody, formerly Vice-President. Mr. Dunwoody is prominently identified with some of the largest and most successful manufacturing enterprises in Minneapolis.

Omaha, Neb.—On July 1 the Omaha National Bank completed thirty-seven years of existence, and its report for that date shows that prosperity has attended the bank's career. Its capital is $1,000,000, surplus and profits $180,000, and deposits $7,543,162. J. H. Millard is

President; Wm. Wallace and C. F. M. Grew, Vice-Presidents; Chas. E. Waite, Cashier, and Frank Boyd, Assistant Cashier.

Oklahoma Banks.—Bank Commissioner Paul F. Cooper has recently compiled reports of the State and National banks for the Territory of Oklahoma, the statement for the Territorial banks being as of June 10 and the National banks June 9. Following are some facts gleaned from the compilation:

	National banks.	*Territorial.*	*Total for both classes.*
Capital	$2,792,500	$2,026,330	$4,818,830
Surplus	277,042	255,072	532,114
Undivided profits	543,451	383,122	926,573
Deposits	12,380,677	8,358,085	20,738,778
Total resources	17,326,150	11,156,353	28,482,504
Number of banks	70	232	312
Per cent. of reserve	30	52	41

These reports, says the "Oklahoma State Capital," are a wonderful commentary on the unbounded prosperity of Oklahoma, showing a *per capita* of deposits, based on a population of 600,000 of over $34 for every man, woman and child in the Territory. This with an average reserve in the banks of forty one per cent., and a bank to each 2,000 of population, with small overdrafts, and large undivided profits, puts Oklahoma banks in the front rank of the States and Territories of the United States.

This showing is due largely to the splendid banking laws of Oklahoma, and the further fact that its terms are strictly carried out both in spirit and letter. In three years only three banks have been closed, thanks to the good work of the Commissioner, and these all belonged to one man, and depositors lost nothing.

Nebraska State and Private Banks.—Through the courtesy of the State Banking Board, THE BANKERS' MAGAZINE has been furnished with a compilation showing the condition of the 493 State and private banks of Nebraska at the close of business June 9. On that date the capital stock of these banks was $7,976,250; surplus, $1,401,852; undivided profits, $1,745,666; deposits, $37,395,149; loans and discounts, $32,091,797; cash items, $2,550,128; total resources, $48,689,717.

PACIFIC SLOPE.

San Francisco.—At a meeting of the shareholders of the Bank of California July 16, it was unanimously decided to increase the capital stock from $2,000,000 to $3,000,000.

Los Angeles, Cal.—An agreement has been reached for merging the First National Bank and the Farmers and Merchants' National Bank into the First and Farmers and Merchants' National Bank. The new bank will have $2,000,000 capital, $500,000 surplus and nearly $18,-000,000 total resources. Isaias W. Hellman will be President, and John M. Elliott first Vice-President and manager. The other officers will be decided on later.

—At a regular meeting of the board of directors of the Southwestern National Bank, July 22, A. B. Jones was elected to the position of Cashier. Mr. Jones has been Assistant Cashier of the bank since its organization. The bank opened for business January 20, 1902. Its deposits are $1,077,079.

Failures, Suspensions and Liquidations.

Kentucky.—R. P. Townsend, doing a banking business at Adairville, made an assignment June 29.

Massachusetts—BOSTON—Wm. Bassett, a stock and bond broker, suspended July 27.

Michigan.—Charles Montague, proprietor of the Caro Exchange Bank, made an assignment July 13.

New Jersey.—On July 14, at the instance of the State Insurance and Banking Commissioner, the Attorney-General applied for the appointment of a Receiver for the Interstate Trust Co., of Jersey City. Various irregularities are charged with respect to the company's management.

New York.—The Cornwall Bank, at Cornwall-on-the-Hudson, was closed July 12 owing to defalcation of the Cashier. Arrangements have been made for paying depositors.

New York—NEW YORK CITY.—On July 24 W. L. Stow & Co. and Talbot J. Taylor & Co., Stock Exchange houses, suspended. Edwin S. Hooley & Co., suspended on July 27.

Pennsylvania.—On July 30 the Doylestown National Bank was closed by the Comptroller of the Currency. It is reported that the President and Cashier have used the bank's funds in speculation, and that these and other losses will amount to about $215,000, absorbing practically the capital and surplus. The bank was one of the old banking institutions of the State and on June 9 last reported $105,000 capital, $136,460 surplus and profits and $980,222 deposits.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report. Names of officers and other particulars regarding these new National banks will be found under the different State headings.

National Banks Organized.

6848—Citizens' National Bank, Windber, Pennsylvania. Capital, $50,000.
6849—First National Bank, Coquille, Oregon. Capital, $25,000.
6850—Casper National Bank, Casper, Wyoming. Capital, $50,000.
6851—Clinton National Bank, Clinton, Oklahoma. Capital, $25,000.
6852—Macksburg National Bank, Macksburg, Iowa. Capital, $25,000.
6853—Germania National Bank, Milwaukee, Wisconsin. Capital, $300,000.
6854—Black Hawk National Bank, Waterloo, Iowa. Capital, $100,000.
6855—Okmulgee National Bank, Okmulgee, Indian Territory. Capital, $50,000.
6856—Sour Lake National Bank, Sour Lake, Texas. Capital, $50,000.
6857—First National Bank, Elliott, Iowa. Capital, $25,000.
6858—State National Bank, New Iberia, Louisiana. Capital, $100,000.
6859—First National Bank, Harrisville, Pennsylvania. Capital, $25,000.
6860—First National Bank, Montevideo, Minnesota. Capital, $30,000.
6861—First National Bank, Findlay, Illinois. Capital, $25,000.
6862—First National Bank, Rushmore, Minnesota. Capital, $25,000.
6863—First National Bank, Norway, Michigan. Capital, $50,000.
6864—Commercial National Bank, Los Angeles, California. Capital, $200,000.
6865—National Bank of Commerce, Amarillo, Texas. Capital, $75,000.
6866—Citizens' National Bank, Wisner, Nebraska. Capital, $50,000.
6867—First National Bank, Henryetta, Indian Territory. Capital, $25,000.
6868—First National Bank, Beggs, Indian Territory. Capital, $25,000.
6869—National Bank of Commerce, San Diego, California. Capital, $150,000.
6870—First National Bank, Exira, Iowa. Capital, $35,000.
6871—National Loan and Exchange Bank, Columbia, South Carolina. Capital, $500,000.
6872—Third National Bank, Glasgow, Kentucky. Capital, $25,000.
6873—Hanford National Bank, Hanford, California. Capital, $50,000.
6874—Citizens' National Bank, Hollidaysburg, Pennsylvania. Capital, $50,000.
6875—First National Bank, Centralia, Missouri. Capital, $50,000.
6876—First National Bank, Mooresville, Indiana. Capital, $25,000.
6877—Sunbury National Bank, Sunbury, Pennsylvania. Capital, $100,000.
6878—East Berlin National Bank, East Berlin, Pennsylvania. Capital, $25,000.
6879—First National Bank, Coweta, Indian Territory. Capital, $25,000.
6880—Merchants' National Bank, Greene, Iowa. Capital, $50,000.
6881—Plymouth National Bank, Plymouth, Pennsylvania. Capital, $100,000.
6882—First National Bank, Dillsboro, Indiana. Capital, $25,000.
6883—Citizens' National Bank, Jacksonville, Texas. Capital, $25,000.
6884—National Bank of Carlsbad, Carlsbad, New Mexico. Capital, $30,000.
6885—First National Bank, Campbell, Missouri. Capital, $30,000.
6886—Citizens' National Bank, Lebanon, Virginia. Capital, $32,500.
6887—First National Bank, Coalport, Pennsylvania. Capital, $30,000.
6888—Atlantic National Bank, Jacksonville, Florida. Capital, $350,000.
6889—First National Bank, Fosston, Minnesota. Capital, $25,000.
6890—First National Bank, Wilburton, Indian Territory. Capital, $25,000.
6891—First National Bank, Conneaut Lake, Pennsylvania. Capital, $25,000
6892—Commercial National Bank, Coshocton, Ohio. Capital, $100,000.
6893—First National Bank, Cushing, Oklahoma. Capital, $25,000.
6894—Farmers' National Bank, Hodgensville, Kentucky. Capital, $30,000.
6895—Neodesha National Bank, Neodesha, Kansas. Capital, $50,000.
6896—Alba National Bank, Alba, Texas. Capital, $25,000.
6897—First National Bank, Elba, Alabama. Capital, $50,000.

APPLICATIONS TO ORGANIZE NATIONAL BANKS APPROVED.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice:

First National Bank, West Middlesex, Pennsylvania; by L. A. Burnett, *et al.*
Findlay National Bank, Findlay, Illinois; by A. C. Crays, *et al.*
First National Bank, Dickson, Tennessee; by Pitt Henslee, *et al.*
First National Bank, Oroville, California; by C. H. Schiveley, *et al.*
First National Bank, New Concord, Ohio; by John C. Saner, *et al.*
First National Bank, Cornish, Indian Territory; by I. R. Mason, *et al.*
First National Bank, Elba, Alabama; by G. H. Malone, *et al.*
First National Bank, Cushing, Oklahoma; by John Foster, *et al.*
First National Bank, Frederick, Oklahoma; by R. J. Schofield, *et al.*
First National Bank, Crawford, Nebraska; by C. A. Minick, *et al.*
Fourth National Bank, Guthrie, Oklahoma; by U. C. Guss, *et al.*
First National Bank, Scribner, Nebraska; by F. McGiverin, *et al.*
First National Bank, Hallock, Minnesota; by John R. Mitchell, *et al.*
First National Bank, Grand Meadow, Minnesota; by G. A. Wright, *et al.*
Opelousas National Bank, Opelousas, Louisiana; by E. B. Dubuisson, *et al.*
First National Bank, Fayette, Iowa; by Grant M. Bigelow, *et al.*
First National Bank, Ventura, California; by J. S. Blackstock, *et al.*
Stoughton National Bank, Stoughton, Massachusetts, by Henry W. Britton, *et al.*
Globe National Bank, Denver, Colorado; by John M. Walker, *et al.*
Peckville National Bank, Peckville, Pennsylvania; by S. W. Arnold, *et al.*
People's National Bank, Barry, Vermont; by Fred N. Braley, *et al.*
First National Bank, Rush City, Minnesota; by F. H. Wellcome, *et al.*
First National Bank, Frazee, Minnesota; by M. T. Dalquist, *et al.*
First National Bank, Anderson, Texas; by Fred B. Johnston, *et al.*
First National Bank, Greenwood, South Carolina; by S. H. McGhee, *et al.*
First National Bank, Coeburn, Virginia; by J. Clark Carpenter, *et al.*
First National Bank, Claude, Texas; by S. F. Sullenberger, *et al.*
First National Bank, Stuart, Nebraska; by L. M. Weaver, *et al.*
First National Bank, Hartford City, Indiana; by Herbert H. Holbrook, *et al.*
First National Bank, Ringtown, Pennsylvania; by Wm. A. Geise, *et al.*
First National Bank, Fairview, Oklahoma; by H. Clay Willis, *et al.*
First National Bank, Plainfield, Indiana; by B. W. Anderson, *et al.*
National Maiden Lane Bank of New York; by G. H. Hendricks, *et al.*
First National Bank, Winthrop, Minnesota; by E. W. Olson, *et al.*
Citizens' National Bank, St. James, Minnesota; by H. M. Serkland, *et al.*
Washington National Bank, Burgettstown, Pennsylvania; by F. Rea Bailey, *et al.*
First National Bank, Artesia, New Mexico; by C. B. McCluskey, *et al.*
First National Bank, El Monte, California; by John H. Bartle, *et al.*
Citizens' National Bank, Spencer, Iowa; by Ackley Hubbard, *et al.*
First National Bank, Bennington, Indian Territory; by R. L. Williams, *et al.*
Pikeville National Bank, Pikeville, Kentucky; by A. E. Auxier, *et al.*
Neodesha National Bank, Neodesha, Kansas; by A. M. Sharp, *et al.*

APPLICATION FOR CONVERSION TO NATIONAL BANKS APPROVED.

Bank of Blackwell, Oklahoma; into Blackwell National Bank.
State Bank, Little Rock, Arkansas; into State National Bank.
Bank of Bridgewater, South Dakota; into First National Bank.
Cowgill Bank, Cowgill, Missouri; into First National Bank.
Commercial Bank, Grayson, Kentucky; into First National Bank.
State Bank, Hull, Iowa; into First National Bank.

NEW BANKS, BANKERS, ETC.

ALABAMA.

ELBA—First National Bank; capital, $50,000; Pres., G. H. Malone; Cas., W. D. Hutchinson.

CALIFORNIA.

CHINO—Chino State Bank; capital, $12,500; Pres., L. Viedenburg; Cas., Peter R. Ruth.

HANFORD—Hanford National Bank; capital, $50,000; Pres., N. P. Duncan; Cas., H. E. Wright.

LOS ANGELES—Commercial National Bank; capital, $200,000; Pres., W. A. Bonynge; Cas., C. N. Flint.

SAN DIEGO—National Bank of Commerce; (successor to Bank of Commerce) capital, $150,000; Pres., Julius Wangenheim; Cas., Charles L. Williams.

SAN FRANCISCO — Mission Bank; capital, $200,000; Pres., James Rolph, Jr.; Vice-Pres., Frank B. Anderson; Cas., Stuart F. Smith; Sec., James M. Allen.

STOCKTON—Commercial and Savings Bank;

capital, $150,000; Pres., John Raggio; Cas., Thomas E. Connolly.

FLORIDA.

JACKSONVILLE — Atlantic National Bank; capital, $350,000; Pres., E. W. Lane; Cas., Thomas P. Denham.

GEORGIA.

ATLANTA—Mechanics and Traders' Bank; capital, $25,000; Pres., C. R. Winship; Cas., Wm. Powell; Asst. Cas., K. S. Ferris.

SOPERTON—Bank of Soperton; capital, $11,-000; Pres., J. F. Cook; Vice-Pres., W. C. McCrimmon.

IDAHO.

HAILEY—Watt Banking Co. Ltd. (successor to W. H. Watt); capital, $30,000; Pres., W. H. Watt; Cas., Leo Cramer.

POCATELLO—First Savings Bank; capital, $25,000; Pres., J. A. Murray; Cas., W. A. Anthes; Asst. Cas., I. N. Anthes.

ILLINOIS.

BETHALTO—Farmers' Bank; capital, $25,000; Pres., G. L. Settlemire; Cas., A. M. Neuber.

BONDVILLE—Bondville Bank; capital, $25,-000; Pres., Dan P. McIntyre; Cas., Wm. H. Scott; Asst. Cas., Geo. B. Talbott.

FERRIS—Farmers' Standard Bank; Pres., W. O. Kunkel; Cas., J. W. Richards.

FINDLAY—First National Bank; capital, $25,-000; Pres., James Dazey; Vice-Pres., A. W. Askins; Cas., J. E. Dazey; Asst. Cas., E. S. Comb and C. B. Laughlin.

RIVERSIDE—Riverside State Bank; capital, $25,000; Pres., Albert Seckel; Cas., Frank Frederick; Asst. Cas., F. E. Frederick.

INDIANA.

DILLSBORO—First National Bank; capital, $25,000; Pres., D. W. Cole; Act. Cas., Wm. C. Wulber.

MOORESVILLE—First National Bank; capital, $25,000; Pres., Geo. R. Scruggs; Cas., H. H. Leathers.

FORT WAYNE—Bank of Wayne (Sol Mier Co.)

VALPARAISO—Thrift Trust Co.; capital, $25,-000; Pres., Wm. E. Pinney; Vice-Pres., John Work; Sec., Paul Nuppnau; Asst. Sec., John L. Jones.

INDIAN TERRITORY.

BEGGS—First National Bank; capital, $25,-000; Pres., P. I. Brown; Cas., Earl Brown.

BRISTOW—International Bank; capital, $10,-000; Pres., A. H. Purdy; Cas., C. E. Purdy.

COWETA—First National Bank; capital, $25,-000; Pres., Ulysses G. Phippen.

DEWEY—Bank of Dewey; Pres., E. L. Woodsen; Cas., W. H. Metcalf.

HENRYETTA—First National Bank; capital, $25,000; Pres., A. B. Dunlap; Vice-Pres., Jno. F. Wise; Cas., J. W. Sullins; Asst. Cas., J. R. Vaughn.

OKMULGEE—Okmulgee National Bank; capital, $50,000; Pres., John T. Stewart; Cas., W. E. Wood.

WILBURTON—First National Bank; capital, $25,000; Pres., James Degnan; Cas., H. D. Price.

IOWA.

CHARLES CITY—Security Trust and Savings Bank; capital, $50,000; Pres., A. E. Ellis; Vice-Pres., C. D. Ellis; Cas., Morton Wilbur; Asst. Cas., Melvin W. Ellis.

ELKHART—Corn Exchange Bank; capital, $10,000; Pres., John Lee; Vice-Pres., C. H. Stockwell; Cas., Ralph A. Clark.

ELLIOTT - First National Bank (successor to Bank of Elliott); capital, $25,000; Pres., F M. Burkit; Cas., H. E. Manker; Asst. Cas. J. J. Manker.

EXIRA—First National Bank (successor to Farmers and Merchants' Bank); capital, $35,000; Pres., F. M. Leet; Cas., J. E. McGuire; Asst. Cas., W. E. Wissler.

GRAND VIEW—Grand View Savings Bank capital, $15,000; Pres., L. Luberknecht; Cas., A. L. Holliday.

GREENE—Merchants' National Bank (successor to Soesbe, Shepardson & Co.); capital, $50,000; Pres., E. W. Soesbe; Cas., C. W. Soesbe.

IRETON—Farmers and Merchants' Bank; capital, $15,000; Pres., F. E. Watkins; Cas., W. Y. Dilley.

MACKSBURG — Macksburg National Bank (successor to Macksburg Bank); capital, $25,000; Pres., J. M. Wilson; Cas., O. E. Klingaman.

McCAUSLAND—Scott County Bank; capital, $15,000; Pres., Wm. Bierkamp, Jr.; Vice-Pres., F. J. Lessin; Cas., E. P. Wingert.

TIFFIN—Tiffin Savings Bank (successor to Corn Exchange Bank); capital, $12,000; Pres., E. F. Hamilton; Cas., P. R. Ford; Asst. Cas., F. E. Fountain.

WATERLOO—Black Hawk National Bank; capital, $100,000; surplus, $25,000; Pres., D. W. Crouse; Cas., H. S. Abbott.

KANSAS.

CAWKER CITY — Commercial State Bank; capital, $10,000; Pres., H. A. Carleton; Cas., G. L. Hudkins.

KANSAS CITY—Riverview State Bank; capital, $10,000; Pres., J. W. Breidenthal; Cas., Ed. Blair.

LEWIS—Lewis State Bank; capital, $5,000; Pres., D. M. Brower; Cas., Chas. E. Sturdevant; Asst. Cas., R. E. Brower.

NEODESHA—Neodesha National Bank; capital, $50,000; Pres., C. M. Condon; Cas., A. M. Sharp.

PERU—Peru State Bank; capital, $10,000; Pres., P. Looby; Cas., W. E. Bennett.

SCRANTON—Scranton State Bank; capital, $5,000; Pres., E. M. Gardner; Cas., W. F. Bolton; Asst. Cas., C. F. Bolton.

STAFFORD — First Bank; capital, $20,000; Pres., A. E. Asher; Asst. Cas., R. Boyd Wallace.

KENTUCKY.

BENTON—Bank of Marshall County; Pres., R. G. Treas; Cas., W. C. Rowe.

BURGIN—J. T. Freeman & Co.; capital, $20,000; Cas., J. P. Miller.

GLASGOW—Third National Bank; capital, $25,000; Pres., S. T. Young; Vice-Pres., W. J. Davidson.

HODGENVILLE — Farmers' National Bank; capital, $30,000; Cas., T. F. Stark.

RICHWOOD—Richwood Deposit Bank; Pres., J. C. Hughes; Cas., J. C. Byland.

UNION—Union Deposit Bank; Pres., M. J. Crouch; Cas., J. L. Frazier.

LOUISIANA.

LEESVILLE—Rose Pine Banking Co.; capital, $10,500; Pres., W. H. Powell; Cas., W. J. Powell.

NEW IBERIA—State National Bank; capital, $100,000; Pres., Albert Estorge; Cas., J. P. Suberbielle.

SHREVEPORT—Louisiana Bank and Trust Co.; capital, $100,000; Pres., S. W. Smith, Jr.; Vice-Pres., E. S. Woodfin; Cas., M. A. McCutchen.

MASSACHUSETTS.

BOSTON—State Banking & S. D. Co.; capital, $150,000; Pres., Chas. K. Amidon; Treas., A. H. Eastman; Asst. Treas., P. L. Cushing.

MICHIGAN.

MT. PLEASANT—Isabella County State Bank; capital, $30,000; Pres., John S. Weidman; Cas., Elton J. Van Leuven.

NORWAY—First National Bank (successor to State Bank); capital, $50,000; Pres., Frank A. Janson; Cas., Dan A. Stewart.

MINNESOTA.

BENSON—Security State Bank; capital, $25,000; Pres., M. Hoban; Cas., Leslie Matthews; Asst. Cas., Olaf Aaberg.

COLOGNE—State Bank; capital, $10,000; Pres., Henry L. Simons; Cas., Geo. J. Bell.

FOSSTON—First National Bank; capital, $25,000; Pres., I. A. Yarnell; Asst. Cas., R. J. Bentley.

MONTEVIDEO—First National Bank (successor to Citizens' State Bank); capital, $30,000; Pres., C. D. Griffith; Cas., M. E. Titus; Asst. Cas., F. W. Palmer.

MONTICELLO—Security State Bank; capital, $10,000; Pres., Jno. M. Haven; Cas., Wm. S. McCartney; Asst. Cas., N. H. McCartney.

MORA—State Bank; capital, $10,000; Pres., John Lind; Cas., C. F. Mahnke; Asst. Cas., F. Waterman.

PARKERS PRAIRIE — State Bank; capital, $10,000; Pres., L. Redding; Cas., W. E. Dickson.

RICE—Bank of Rice; capital, $9,000; Pres., Geo. H. Niles; Cas., A. Turrittin.

RUSHMORE—First National Bank; capital, $25,000; Pres., Wm. Thom; Vice-Pres., Jas. Porter; Cas., C. N. Peterson; Asst. Cas., L. T. Arduser.

ST. BONIFACIUS—State Bank (successor to Hegerle & Gothmann); capital, $10,000; Pres., Henry Gothmann; Cas., M. H. Hegerle; Asst. Cas., M. A. Gothmann.

THIEF RIVER FALLS—Citizens' Bank; capital, $10,000; Pres., D. B. Bakke; Cas., F. L. Melgaard.

MISSOURI.

BERGER—Bank of Berger; capital, $10,000; Pres., Dan Haid, Jr.; Cas., E. G. Isenberg.

CAMPBELL—First National Bank; capital, $30,000; Pres. T. A. Medley; Cas., W. S. Gardner.

CENTRALIA—First National Bank; capital, $50,000; Pres., D. F. Turner; Cas., E. R. Denham; Asst. Cas., J. F. Denham.

DONIPHAN—T. L. Wright; capital, $5,000.

GREEN CASTLE—Green Castle Bank (successor to Comstock Castle Bank); capital, $16,000; Pres., A. O. Moore; Cas., Geo. Vaughn; Asst. Cas., Chas. E. Johnson.

SPRINGFIELD — Farmers and Merchants' Bank; capital, $25,000; Pres., W. O. Oldham; Cas., H. M. Smith.

NEBRASKA.

DAVEY—Farmers' State Bank; capital, $8,000; Pres., H. Harkson; Cas., G. R. Buckner.

EXETER—Exeter State Bank; capital, $15,000; Pres., W. H. Taylor; Cas., C. H. Eckery.

HERSHEY—Bank of Lincoln County; capital, $5,000; Pres., E. F. Seeberger; Vice-Pres., M. Mickelsen.

PLATTSMOUTH—Plattsmouth Savings Bank; capital, $12,500; Pres., W. H. Newell; Cas., J. M. Roberts.

TAMORA—Farmers Exchange Bank; capital; $5,000; Pres., J. R. Collins; Cas., L. A. Sandberg.

WISNER—Citizens' National Bank (successor to Citizens' State Bank); capital, $50,000; Pres., Henry Leisy; Vice-Pres., Henry Kinzel; Cas., J. H. Finley; Asst. Cas., Alma Koch.

NEW MEXICO.

CARLSBAD—National Bank of Carlsbad; capital, $30,000; Pres., S. T. Bitting; Cas., H. A. Houser.

NORTH CAROLINA.

ELIZABETH CITY—Savings Bank and Trust Co.; capital, $25,000; Pres., Wm. T. Old.

FAISON—Bank of Faison; capital, $10,000; Pres., W. E. Borden; Cas., M. McD. Williams.

RAEFORD—Bank of Raeford; Pres., John Blue; Cas., Jno. W. Moore; Asst. Cas., J. W. McLaughlin.

WHITAKERS—Bank of Whitakers; capital, $10,000; Pres., W. T. Braswell; Cas., W. J. Taylor.

STONEVILLE—Bank of Stoneville; capital, $5,200; Pres., R. T. Stone; Cas., C. K. Nolin.

OHIO.

COSHOCTON — Commercial National Bank; capital, $100,000; Pres., J. W. Cassingham; Cas., H. C. Herbig.

HILLIARDS—Merchants and Farmers' Bank; capital, $12,500; Pres., N. A. Scofield; Cas., Lucy Bobyns.

QUINCY—Miami Valley Bank; Pres., J. E. Wells; Cas., J. W. Wilkenson; Asst. Cas., A. Allinger.

RIDGEWAY—Ridgeway Banking Co.; capital, $12,500; Pres., John Brunguard; Cas., O. E. Perry.

OKLAHOMA.

AMES—Bank of Ames; capital, $10,000; Pres., J. J. Hughes; Cas., J. O. Hughes.

BESSIE—Auxier State Bank; capital, $5,000; Pres., W. B. Auxier; Cas., Geo. F. Auxier; Asst. Cas., T. E. Auxier.

CAPRON—Capron State Bank; capital, $10,000. Pres., H. Kaufman; Cas., C. D. Sample.

CLINTON—Clinton National Bank; capital, $25,000; Pres., C. J. Benson; Vice-Pres., J. R. Shive; Cas., W. B. Duff; Asst. Cas., J. M. Dickinson.

CUSHING—First National Bank; capital, $25,000; Pres., Jacob Puckett; Cas., John Foster.

HOLLIS—Hollis State Bank; capital, $10,000; Pres., G. H. Rowley; Cas., Carl S. Wilson.

OREGON.

COQUILLE—First National Bank; capital, $25,000; Pres., A. J. Sherwood; Cas., L. H. Hazard.

PENNSYLVANIA.

ALTOONA—Union Trust Co. (successor to Fidelity Bank); capital, $125,000; Pres., W. J. Heinsling; Treas., James. W. Findley.

BELLE VERNON—Valley Deposit and Trust Co. (successor to S. F. Jones & Co.); capital, $125,000; Pres., S. F. Jones; Treas., J. S. Jones; Asst. Treas., W. A. Mitchener.

COALPORT—First National Bank; capital, $30,000; Pres., Geo. D. Benn.

CONNEAUT LAKE—First National Bank; capital, $25,000; Pres., E. P. Whiting; Cas., Perry Shontz.

EAST BERLIN—East Berlin National Bank (successor to Wm. G. Lea); capital, $25,000; Pres., P. C. Smith; Cas., S. S. Miller.

HARRISVILLE—First National Bank; capital, $25,000; Pres., R. L. Brown; Cas., J. M. Elrick.

HOLLIDAYSBURG—Citizens' National Bank; capital, $50,000; Pres., Lynn A. Brua; Cas., H. D. Hewitt.

PITTSBURG—Home Trust Co.; capital, $500,000; surplus, $125,000; Pres., W. L. Hurd; Second Vice-Pres., Robert J. Davidson; Sec., J. F. Sweeny; Treas., J. G. Splane; Asst. Treas., I. C. Harper.

PLYMOUTH—Plymouth National Bank; capital, $100,000; Pres., John R. Powell; Cas., R. J. Faust, Jr.

SUNBURY—Sunbury National Bank; capital, $100,000; Pres., F. E. Drumheller; Cas., E. B. Hunter.

STEELTON—People's Bank.

WINDBER—Citizens' National Bank; capital, $50,000; Pres., J. P. Statler; Cas., E. M. Muir.

SOUTH CAROLINA.

COLUMBIA—National Loan and Exchange Bank of South Carolina; capital, $500,000; Pres., Edwin W. Robertson; Cas., G. M. Berry.

SOUTH DAKOTA.

BUTLER—State Bank; capital, $5,000; Pres., J. W. Lambert; Cas., H. O. Dalen.

TEXAS.

ALBA—Alba National Bank; capital, $25,000; Pres., C. H. Morris; Cas., W. H. Holley.

AMARILLO—National Bank of Commerce (successor to Smith, Walker & Co.); capital, $75,000; Pres., J. L. Smith; Vice-Pres., W. W. Bynum; Cas., Ray Wheatley.

COVINGTON—First Bank; capital, $10,000; Pres., J. Will Gilliam; Vice-Pres., J. P. Wier and H. H. Simmons; Cas., F. E. McLarty; Asst. Cas., D. D. Gattings.

JACKSONVILLE—Citizens' National Bank; capital, $25,000; Pres., W. H. Sory; Cas., A. F. Kerr.

PROSPER—Continental Bank and Trust Co.; Asst. Cas., C. A. Sanford.

SOUR LAKE—Sour Lake National Bank; capital, $50,000; Pres., W. T. Campbell; Cas., Charles Hirsch; Asst. Cas., D. C. Stone.

UTAH.

LOGAN—Cache Valley Banking Co.; capital, $40,000; Pres., Thomas Oldham; Cas., J. E. Shepard.

VIRGINIA.

LEBANON—Citizens' National Bank (successor to Citizens' Bank); capital, $32,500; Cas., S. H. Fletcher.

SALTVILLE—Saltville Bank; capital, $50,000; Pres., W. W. George; Cas., Henry Cecil; Sec., I. S. Goetchins.

WASHINGTON.

ELMA—Bank of Elma; Cas., A. L. Callow.

SEATTLE—Washington Trust Co.; capital, $300,000; surplus, $200,000; Pres., J. W. Clise; Vice-Pres., C. J. Smith and F. S. Stimson; Cas., Chas. S. Miller.

WEST VIRGINIA.

BURNSVILLE—Burnsville Exchange Bank; capital, $20,000; Pres., John T. Davis; Cas., Hugh Amos.

FAIRMONT—Monongahela Bank; capital, $50,000; Pres., R. E. Harr; Cas., Hugh F. Smith.

SMITHVILLE—Smithville Bank; capital, $10,000; Pres., E. C. Goff; Cas., W. H. Westfall; Asst. Cas., G. M. Clommer.

WISCONSIN.

LENA—Farmers and Merchants' Bank; capital, $10,000; Pres., L. W. Brazeau; Cas., O. W. Brazeau.

MILWAUKEE—Germania National Bank; capital, $300,000; Pres., Geo. Brumder; Cas., Alfred G. Schultz; Asst. Cas., Martin A. Graettinger.——Wisconsin Trust and Security Co.; capital, $500,000; Pres., O. C. Fuller.

WYOMING.

CASPER—Casper National Bank; capital, $50,000; Pres., Alexander J. Cunningham; Cas., E. Percy Palmer.

CANADA.

NOVA SCOTIA.

INVERNESS—Union Bank of Halifax.

SPRING HILL—Union Bank of Halifax.

CHANGES IN OFFICERS, CAPITAL ETC.

ARKANSAS.

ARKANSAS CITY—Desha Bank and Trust Co. (successor to Desha Bank); capital, $80,000.

LITTLE ROCK—Exchange National Bank; Charles F. Penzel, Pres., resigned.

PARAGOULD—First National Bank; R. H. Weatherly, Vice-Pres.; R. D. Duncan, Asst. Cas.

CALIFORNIA.

LONG BEACH — American National Bank; John Johnston, Vice-Pres.; W. A. Kennedy, Cas. in place of Frederick Rohrer.

LOS ANGELES—Los Angeles National Bank; W. D. Woolwine, Cas., resigned.——Merchants' National Bank; Herman W. Hellman, Pres. in place of W. L. Graves; W. L. Graves, First Vice-Pres.; Marco Hellman, Asst. Cas.

PASO ROBLES—Bank of Paso Robles; John Herd, Pres.

SAN FRANCISCO—Bank of California; capital increased to $3,000,000.

COLORADO.

WALDEN—North Park Bank; capital increased to $30,000.

CONNECTICUT.

MIDDLETOWN—Farmers and Mechanics' Savings Bank; James K. Guy, Pres., in place of Samuel T. Camp, deceased; Lyman D. Mills, Vice-Pres.——Middlesex County National Bank; Samuel T. Camp, Vice-Pres., deceased.

ROCKVILLE—People's Savings Bank; W. H. Prescott, Pres.

PUTNAM—Thompson Savings Bank; John Elliott, Pres., deceased.

SOUTHINGTON—Southington National Bank; M. B. Willcox, Pres., in place of Charles D. Barnes, deceased.

DISTRICT OF COLUMBIA.

WASHINGTON—Citizens' National Bank; no Asst. Cas. in place of Edson B. Olds.

GEORGIA.

ATLANTA—Lowry National Bank; Henry W. Davis, Asst. Cas.

AUGUSTA—National Exchange Bank; E. A. Pendleton, Asst. Cas.

ILLINOIS.

CHICAGO—Oakland National Bank of Hyde Park; H. C. Foster, Pres. in place of H. P. Taylor; Henry Sheffield, Cas. in place of H. C. Foster; A. J. Kolar, Jr., Asst. Cas.

FREEPORT — First National Bank; J. M. Clark, Asst. Cas.

MARISSA—First National Bank; J. C. Hamilton, Pres. in place of J. A. Hamilton; W. M. Hamilton, Vice-Pres., in place of J. C. Hamilton; J. A. Hamilton, Cas. in place of M. H. Marshall; M. H. Marshall, Asst. Cas.

STERLING—Sterling National Bank; capital increased to $100,000.

URBANA—First National Bank; R. H. Griffin, Cas. in place of C. M. Richards; G. W. Webber, Asst. Cas. in place of R. H. Griffin.

INDIANA.

ATTICA—Citizens' National Bank; O. S. Clark, Asst. Cas.

PORTLAND—Citizens' Bank; capital increased to $100,000.

VINCENNES—German National Bank; Henry J. Boeckman, Vice-Pres. in place of Gerard Reiter; W. E. Baker, Asst. Cas. in place of Henry J. Boeckmann.

WINGATE—Farmers' Bank; David Groves, Asst. Cas. in place of Enoch P. Leath.

INDIAN TERRITORY.

COMANCHE - First National Bank; Milton M. Bowman, Cas. in place of J. T. Jeanes, deceased.

HOLDENVILLE—First National Bank; Geo. L. Rose, Pres. in place of A. B. Dunlap.

VINITA—Cherokee National Bank; Chas. H. Collins, Asst. Cas.

IOWA.

BELLE PLAINE—Citizens' National Bank; J. F. Miller, Asst. Cas.

CLUTIER—First National Bank; John Skrable, Pres. in place of S. G. Hawks; Wm. Benesh, Cas. in place of Henry Mohr.

DIKE—First National Bank; R. H. Rehder, Pres. in place of M. A. Buchan.

GRAETTINGER—First National Bank; C. S. George, Cas. in place of E. C. Kent.

KELLEY—Bank of Kelley; E. J. Penfield, Pres.

MILFORD—First National Bank; C. F. Mauss, Cas. in place of H. S. Abbott; Leonard O. Pillsbury, Asst. Cas. in place of C. F. Mauss.

PIERSON—Citizens' Bank; purchased by Bank of Pierson.

KANSAS.

CHETOPA—Farmers and Merchants' State Bank; Geo. M. Hoover, Cas. in place of Harry W. Bedell.

ELDORADO—Eldorado State Bank; absorbed by Citizens' State Bank; capital increased to $50,000.

WAVERLY - First National Bank; Fred F. Fockele, Cas. in place of Chas. N. Converse.

KENTUCKY.

OWENTON—First National Bank; G. F. Waldrop, Pres. in place of G. W. Forsee; no Vice-Pres. in place of G. F. Waldrop; G. W. Forsee, Cas. in place of Florian Cox.

MAINE.

GARDINER—Oakland National Bank; Henry Farrington, Cas. in place of N. C. Barstow.

PORTLAND—First National Bank; Carl F. A. Weber, Asst. Cas.

MARYLAND.

BALTIMORE—Monumental Savings Association; absorbed by Union Trust Co.

ELKTON—National Bank of Elkton; E. S. France (formerly E. S. Tome), Pres.

HANCOCK—Hancock 'Bank; William A. Bowles, Pres., deceased.

MASSACHUSETTS.

BOSTON—Mount Vernon National Bank; John H. Allen, Pres. in place of Thomas N. Hart; J. Adams Brown, Vice-Pres. in place of Benjamin F. Dyer.——National Bank of Redemption; James B. Case, Act. Pres. in place of John E. Toulmin, deceased.

CAMBRIDGE—National City Bank; Henry B. Davis, Cas., resigned.

CHELSEA—Chelsea Savings Bank; William Robinson, Pres. in the place of Thomas Strahan.

LEOMINSTER—Leominster Savings Bank; Arthur H. Hall, Pres. in place of Joseph G. Tenney.

MICHIGAN.

BAY CITY—Old Second National Bank; Orrin Bump, Pres., resigned.

KALAMAZOO—First National Bank; J. A. Pitkin, Pres. in place of Frederick N. Rowley, deceased.

ST. JOHNS—St. Johns National Bank; John C. Hicks, Pres. in place of John Hicks, deceased.

ST. JOSEPH—Commercial National Bank; A. L. Heartt, Cas., deceased.

MINNESOTA.

DAWSON—First National Bank; G. O. Brohough, Pres. in place of S. Christopherson.

EVELETH—First National Bank; W. J. Smith, Cas., resigned.

MINNEAPOLIS—Northwestern National Bank; William H. Dunwoody, Pres. in place of James W. Raymond, resigned.

SPRING VALLEY—First National Bank; T. L. Beiseker, Pres. in place of W. P. Tearse.

MISSOURI.

LUTESVILLE—Bollinger County Bank; capital increased to $25,000.

NEBRASKA.

HARTINGTON—Hartington National Bank; F. M. Kimball, Cas.; Edwin E. Collins, Asst. Cas.

OAKLAND—First National Bank; A. L. Cull, Cas. in place of C. K. Cull, deceased; A. B. Paden, Asst. Cas. in place of A. L. Cull.

VALLEY—State Bank; capital increased to $20,000.

NEW JERSEY.

NEWARK—Howard Savings Bank; Eugene Vanderpool, Pres., deceased.

NEW YORK.

AURORA—First National Bank; E. W. Mosher, Vice-Pres. in place of Henry A. Morgan, deceased; Edmund Doughty, Asst. Cas. in place of E. W. Mosher.

BROOKLYN—Stuyvesant Heights Bank; capital increased to $200,000.

CORNWALL-ON-THE-HUDSON—Cornwall Bank; Joseph W. Cummin, Cas., reported a defaulter; business taken over by Highland National Bank of Newburgh.

NEW YORK—Nineteenth Ward Bank; Louis H. Holloway, Cas., resigned.——Mechanics' & Traders' Bank; Louis H. Holloway, Vice-Pres.——Seaboard National Bank; no 2d Vice-Pres. in place of Frank Dean, deceased; J. H. Davis, additional Asst. Cas.——Guardian Trust Co.; F. W. Woolworth, Pres. in place of Bird S. Coler.——Bank of New York National Banking Association; Joseph Andrews, Asst. Cas. in place of Edward T. Hulst.——United National Bank; John Gerken, Pres.——Equitable National Bank; Charles A. Nones, Pres. in place of James M. Bell, resigned.

OSSINING—Ossining National Bank; H. M. Carpenter, Vice-Pres. in place of Geo. W. Kipp; Geo. F. Hoag, Cas. in place of H. M. Carpenter.

SARATOGA SPRINGS—Citizens' National Bank; Cassius B. Thomas, Pres. in place of John Foley.

OHIO.

MONROEVILLE—First National Bank; A. M. Stentz, Pres. in place of H. P. Stentz, deceased; Thomas W. Latham, Vice-Pres. in place of Chas. W. Latham.

ST. MARYS—First National Bank; W. O. Smith, Asst. Cas.

ZANESVILLE—First National Bank; W. P. Sharer, additional Asst. Cas.

OKLAHOMA.

BLACKWELL—Bank of Blackwell; capital increased to $30,000.

GARBER—Farmers' State Bank; capital increased to $10,000.

GUTHRIE—Guthrie National Bank and Bank of Indian Territory; consolidated under former title.

MARSHALL—Bank of Marshall; L. J. Bickford, Cas., resigned.

PAWHUSKA—Citizens' State Bank; capital increased to $15,000.

PENNSYLVANIA.

BERWICK—First National Bank; B. F. Crispin, Jr., Pres., deceased.

BOLIVAR—Bolivar National Bank; Harry L. George, Cas. in place of Sam H. Hughes; no Asst. Cas. in place of Harry L. George.

COATESVILLE—National Bank of Chester Valley; G. H. Spackman, Asst. Cas.

CORRY—Citizens' National Bank; H. W. Parker, Asst. Cas.

GALLITZIN—First National Bank; W. D. Gibson, Cas. in place of H. S. Smith.

JEANNETTE—First National Bank; H. Albert Lauffer, Pres. in place of J. H. Ringer; R. P. Hugus, Vice-Pres.

LEBANON — Valley National Bank; C. H. Killinger, Pres. in place of Adam Rise, deceased; Samuel Weiss, Vice-Pres. in place of C. H. Killinger.

PHILADELPHIA—Tradesmen's Trust and Saving Fund Co.; title changed to Tradesmen's Trust Co.——Kensington National Bank; W. W. Price, Cas. in place of Henry McConnell, deceased; Jos. C. Fox, Asst. Cas.——Southwestern National Bank; John Gardiner, Pres., deceased.

PITTSBURG—People's National Bank; Robert Wardrop, Pres. in place of A. E. W. Painter, deceased; D. E. Park, Vice-Pres. in place of Robert Wardrop; no Second Vice-Pres. in place of D. E. Park; Hervey Schumacher, Cas. in place of Robert Wardrop; F. L. Boggs, Second Asst. Cas. in place of Hervey Shumacher.——Union National Bank; capital increased to $500,000.——Diamond National Bank; Jno. S. Scully, Pres., resigned.

POTTSVILLE—Miners' National Bank; Heber S. Thompson, Pres. in place of William Thompson, deceased; no Vice-Pres. in place of Heber S. Thompson.

REEDSVILLE—Reedsville National Bank; J. Bruce Davis, Cas. in place of R. J. Faust, Jr.

SAYRE—National Bank of Sayre; S. R. Payne, Pres. in place of Lewis Eighmey.

TAMAQUA—First National Bank; W. Calloway, Pres. in place of Charles J. J. Carter; John E. Laner, Vice-Pres. in place of W. Calloway; W. H. Kneedler; Cas. in place of J. F. Derr.

VERONA—First National Bank; W. Emerson Bargar, Cas.; Blaine L. Stoner, Asst. Cas.

SOUTH CAROLINA.

CHERAW—Merchants and Farmers' Bank; capital increased to $50,000.

TENNESSEE.

WATERTOWN—Bank of Watertown; capital increased to $20,000.

TEXAS.

BARTLETT—First National Bank; E. T. Jones, Asst. Cas.

CALVERT—First National Bank; S. M. Gibson, Cas. in place of B. F. Elkin; A. W. Foster, Asst. Cas.

COMMERCE—Commerce National Bank; title changed to First National Bank.

FORT WORTH—Stockyards National Bank of North Fort Worth; C. L. Stone, Asst. Cas.

MIDLAND—Odessa National Bank; removed to Midland, and title changed to Midland National Bank.——First National Bank; Chester McRea, Asst. Cas. in place of J. F. Lyons.

NACOGDOCHES—Stone Fort National Bank; Chas. Hoya, Pres. in place of E. S. Woodfin; L. L. Sturdevant, Vice-Pres. in place of H. A. Huntley; J. W. Saunders, Cas. in place of H. H. Howell.

NEDERLAND—First National Bank; A. C. Walker, Asst. Cas.

SAN ANTONIO—San Antonio National Bank; Wm. L. Herff, Asst. Cas.——City National Bank; Aug. De Zavala, Asst. Cas. in place of A. F. Kerr.

SNYDER—First National Bank; J. M. Smith, Pres. in place of H. B. Patterson.

TULIA—Tulia National Bank; no Cas. in place of Ray Price; W. W. Gunn, Asst. Cas.

WYLIE—First National Bank; W. Z. Hayes, Cas. in place of S. K. McCallon; no Asst. Cas. in place of W. Z. Hayes.

VERMONT.

RANDOLPH—Randolph National Bank; Willard Gay, Asst. Cas. in place of Fred E. Du Bois, deceased.

VIRGINIA.

HAMPTON—First National Bank; J. W. Rowe, Pres.; J. C. Robinson, Vice-Pres.

PETERSBURG—Petersburg Savings and Insurance Co.; Peyton M. Pollard, Cas. in place of Geo. J. Seay; James D. Mason, Asst. Cas. in place of Peyton M. Pollard.

WASHINGTON.

SUNNYSIDE—Sunnyside Bank; S. J. Harrison, Pres.

WHATCOM—Bank of Whatcom; L. P. White, deceased.

WISCONSIN.

CADOTT—Citizens' State Bank; D. D. Mars, Asst. Cas.

EAU CLAIRE—Eau Claire National Bank; E. J. Lenmark, Asst. Cas. in place of T. B. Keith; Otto Von Schrader, Second Asst. Cas. in place of E. J. Lenmark.

KAUKAUNA—First National Bank; Geo. E. Dawson, Asst. Cas.

NEW LONDON—First National Bank; M. D. Keith, Pres. in place of L. D. Moses; Leander Choate, Vice-Pres. in place of M. D. Keith.

STOUGHTON—First National Bank; Leander Choate, Pres. in place of L. D. Moses.

CANADA.

ONTARIO.

TORONTO—Metropolitan Bank; W. D. Ross, General Manager, in place of F. W. Baille.——A. E. Ames & Co.; closed June 2, resumed business.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

KENTUCKY.

ADAIRVILLE—R. G. Townsend.

MAINE.

GARDINER—Merchants' National Bank.

MICHIGAN.

CARO—Caro Exchange Bank.

NEW JERSEY.

JERSEY CITY—Interstate Trust Co.

WESTFIELD—First National Bank; in voluntary liquidation June 30.

NEW YORK.

NEW YORK—Lawyers' Surety Company.

PENNSYLVANIA.

EMAUS—Citizens' Bank.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, August 1, 1903.

THE DECLINE IN THE STOCK MARKET last month was naturally the most absorbing topic of interest in financial circles. While Wall Street is only a part of the country and it is possible to exaggerate the influence of the transactions which are made within the walls of the Stock Exchange, nevertheless a large measure of attention is bound to be given to such movements as those which in recent months have occcurred in the stock market.

The stability of the prosperity which extends throughout the country could not perhaps be more certainly attested than by the limited influence which the sweeping decline in security valuations has exerted. There were a few failures in Wall Street last month, but beyond that there has been no apparent ill effect upon the credit or condition of either commercial or financial concerns. In Wall Street itself there has been a clearing of the atmosphere, and an improvement in confidence which suggests a better state of affairs than the wild and excited speculation of a year ago promised to produce.

The stock market had recorded the lowest prices of the year on June 10, and for some time it looked as though the general tendency would be towards recovery. It was not until well after the succeeding month was entered upon that the market again developed pronounced weakness. Then came a slump which made a new record of low prices on July 15, and this in turn was supplanted by the record made on July 24, on which date nearly every stock on the active list touched figures not only the lowest for the year, but also lower than were reached in May, 1901, during the Northern Pacific panic.

While the decline in many cases has wiped out all the advance that had been made since 1900, yet so tremendous was the rise in values since 1895 that even the lowest prices touched in July average higher than the highest prices recorded prior to 1900.

	Lowest 1895.	*Highest 1896.*	*Highest 1897.*	*Highest 1898*	*Highest 1899.*	*Highest 1900.*	*Highest 1901.*	*Highest 1902.*	*Lowest 1903.*
Atchison	10⅝	18	17	19⅛	24⅞	48¾	91	96⅝	62⅛
Bal. & Ohio	*32½	*44	*21⅛	58⅛	61⅛	89⅞	118	118⅛	79½
Canadian Pacific	33	62¼	82	90½	99½	99¾	117⅛	145¼	117⅛
Canada Southern	42	51¾	62⅛	58	70	61¼	89	97	60
Cen. of New Jersey	81½	110	103¼	99	126⅝	150½	196⅝	198	156½
Ches. & Ohio	12½	18⅛	27⅛	26⅜	31⅞	42¾	52⅝	57⅛	31
Chic., Mil. & St. P.	53⅞	80	102	120¾	136⅛	148¼	188	198¾	137¼
Chic. & N. West	87⅜	106¾	132½	143¼	173	172¾	215	271	160
C., St. P., M. & Omaha	28¾	49¾	89½	94	126⅛	126	146¾	170⅛	117
Clev.,Cin.,Chic. &St. L.	28	39½	41½	47½	64⅜	76	101	108⅜	70
Denver & Rio G. pref.	32¾	51	50½	71⅝	80	87	103¼	96¾	76⅛
Erie	†7¼	17¾	19	16¼	16¼	27⅛	45⅛	44⅝	27¼
Illinois Central	81⅛	98	110¾	115⅝	122	132¾	154¾	173⅛	125⅛
Louisville & Nash	39	55⅝	63⅞	65¼	88⅝	89	111¾	159½	101¾
Manhattan	95	113⅛	113	120¼	133⅝	116⅛	145	158	129½
M., K. & Tex., pref	18¼	31⅛	42	41	45¼	47⅛	68⅝	60¾	36
Missouri Pacific	18⅝	29¾	40¼	46¼	52½	72½	124½	125½	95⅝
New York Central	90	99⅛	115½	124⅞	144¾	145⅝	174⅛	168⅞	112⅝
N. Y., Chic. & St. L.	10	15	17⅝	15⅝	19¾	24½	57⅞	57⅝	21½
Reading	‡4⅝	‡31¾	29¼	23⅝	25	26	58	78½	41⅝
Southern Pacific	16¾	22¼	23⅛	35	44¼	45¾	63⅝	81¼	40
Southern	7	11¾	12¼	10¾	14¼	23⅜	35¾	41⅜	20
Texas & Pacific	6⅞	12	15	20⅛	25⅝	26¾	52¼	54¾	24
Union Pacific	§ 4	§12½	§27¾	44⅝	51½	81⅝	133	113¼	72¼
Wabash, pref	12⅜	19¾	24⅝	24¼	25½	27	46⅛	54½	34⅞
Average price	34⅛	48⅛	55¼	61¼	72⅛	79½	107⅝	117⅝	78

* Old stock. † N. Y., L. E. & Western. ‡ Phil. & Reading. § U. P. Railroad.

In the foregoing table we give the lowest prices of twenty-five representative stocks in the year 1895, the highest in each of the seven succeeding years, and the lowest during the present year. With a single exception the lowest prices in 1903 were made in July, one stock being slightly lower in June than in July.

The above comparison shows how extensive had been the appreciation in value since the era of prosperity set in. The average advance from the lowest in 1895 to the highest in 1896 was 14 per cent. This was followed by an advance of 7⅛ per cent. in 1897, 6 per cent. in 1898, 10⅞ per cent. in 1899, 7⅜ per cent. in 1900, 27⅞ per cent. in 1901 and 10¼ per cent. in 1902. The rise from the lowest in 1895 to the highest in 1902 was 83⅛ per cent., of which 38⅛ per cent. was since 1900. The decline in 1903 was 39⅝ per cent. or 1½ per cent. more than the advance in 1901 and 1902.

A more suggestive method of comparing the changes in values would be to show the aggregate values of a specific block of securities at the prices reached in the different years. Taking as a basis 100 full shares of each of the stocks named, making a par value of $250,000, the market value of the total 25,000 shares was:

	Highest value.	*Increase from previous year.*
1895	*$85,375.00	....
1896	120,187.50	$34,812.50
1897	138,137.50	17,950.00
1898	153,175.00	15,037.50
1899	180,250.00	27,075.00
1900	198,875.00	18,625.00
1901	268,500.00	69,625.00
1902	293,925.00	25,425.00
1903	*194,887.50	†99,037.50

* Lowest value. † Decrease.

These stocks which in 1895 could be purchased for $85,374 had a market value in 1902 of $293,925, an increase of $208,550. In 1903 they lost $99,037.50 of that value but were still valued at $109,512.50 more than they were in 1895.

In the discussions in the financial and also editorial columns of some of the papers recently there has been much said about the indisputable fact that while stocks have been going down and people have been selling them, there have been purchasers for all the stocks sold. As that is always the case whether stocks go up or down, the fact proves nothing, nor just what was the conclusion to be drawn from it was not made clear. It certainly does not negative the proposition that the decline has caused very severe losses. Certainly the individual who bought stocks at $117 last year and sold them at $78 this year lost money, and the fact that some one was able to pay him $78 for his shares does not put the seller in any better financial status.

There is no possible way of ascertaining who were the sellers and who were the losers in Wall Street in the last few months. But there is evidence that many people have lost not only the paper profits which they had in sight at one time, but also a part, if not all, their original investment. The effect will be seriously felt by individuals for some time to come, and it will have an influence to some extent upon the general situation.

One has only to turn away from Wall Street to find encouragement for optimistic opinion. The general industrial conditions, barring here and there some labor union difficulties, are encouraging. In some cases prices have fallen, but production is active and there is promise of good trade for some time to come. "The Financial Chronicle's" compilation of bank clearings for the first half of 1903 shows that outside of New York trade transactions continue to grow in volume. The clearings in 1903 amounted to $21,565,000,000, as against $20,511,000,000 in

1902, $19,283,000,000 in 1901, and $16,572,000,000 in 1900. In three years there has been an increase of $5,000,000,000, or more than thirty per cent. New York city makes a less favorable showing, but the cause is to be found in the decrease in Stock Exchange speculation. In spite of that fact the clearings in the six months this year were $35,697,000,000, as against $36,910,000,000 in 1902, a decrease of only $1,213,000,000, or a little more than three per cent.

Another evidence of the prosperity of the country, furnished by the same authority, is afforded in the record of gross earnings of the railroads during the first six months of the year. The total for 187 roads, with a mileage of 165,805 miles, is $707,878,028, an increase over the previous year of $84,271,452, or more than 13½ per cent. The increase in mileage was less than 4,500 miles, not quite three per cent.

This large increase is the more significant in that it follows five years of successive gains, while the aggregate increase this year is larger than in any previous year, the nearest to it being that of 1900 when the increase was $69,000,000, or about twelve per cent.

In connection with this favorable showing an incident of last month may be mentioned here. The Erie Railroad on July 21 increased the rate of the semi-annual dividend on its first preferred stock from 1½ to two per cent. For years the owners of Erie stock never saw a dividend. On December 1, 1895, the present company was organized and on August 31, 1901, the first dividend of 1½ per cent. was paid. Since then it has paid three per cent. on the first preferred stock, and now it is upon a four per cent. basis. This requires more than $1,900,000 per annum. The company earned nearly $3,000,000 surplus above the three per cent. dividend in the year ended June 30, 1902, and probably did considerably better in the year 1902-3. No more striking illustration of the times could well be supplied.

Considerable comment was caused by the reported negotiation of temporary loans by some of the large railroad corporations last mouth. The Chicago, Burlington and Quincy Railroad, one of the constituent companies of the Northern Securities Company, placed a loan of $5,000,000 on notes to run about eight months. The rate of interest, it is understood, was 5½ per cent., which with a commission of one-half per cent. made the rate equal to six per cent. The Union Pacific sold $10,000,000 five per cent. notes to run a year and a half. These were placed on the basis of six per cent. also. In both cases the object of the loan was to provide for improvements and it was thought best not to attempt to issue bonds while the conditions were so unfavorable.

From several quarters there have come indications of an advance in the rate of interest upon investments. The decline in the market value of securities has of itself put many investments upon a higher basis. Recent attempts to sell new issues of municipal securities have disclosed the fact that investors are looking for larger returns. A number of 3½ per cent. issues attracted no bidders at all, and some of them were subsequently offered on the basis of four per cent. New York city last month sold $3,500,000 of 3½ per cent. bonds at two per cent. premium, which makes them net about 3.42 per cent. A year ago it sold bonds at a price netting 3.28 per cent.

For speculative purposes bad crop reports were very much in vogue last month, and every unfavorable condition real or imaginary was grossly exaggerated. The Department of Agriculture report based on data for July 1 made the condition of corn 79.4 as compared with 87.5 a year ago. The acreage was reduced 4½ per cent. It is impossible to make any estimate of the yield, but the weather conditions since July 1 have been generally favorable.

The condition of winter wheat was reduced to 78.8 from 82.2 on June 1 and compares with 77 a year ago. The July weather has favored the crop and a large increase in yield over last year is practically assured. Spring wheat is reported at 82.5 against 95.9 on June 1, but its condition has improved since July 1.

The demand for labor to harvest the wheat crop in the West has been urgent, and indicates what may be expected more accurately than Wall Street rumors.

Our foreign trade records now completed for the fiscal year ended June 30 are in the highest degree favorable. The exports of merchandise are valued at $1,419,-991,290, an increase of more than $38,000,000, and were exceeded only in one year, in 1901, when they went above $1,487,000,000. The imports were $1,025,619,127, the largest ever recorded, and for the first time exceeding a billion dollars. The combined foreign trade reached the unprecedented aggregate of $2,445,610,417, surpassing the record year 1901 by $135,000,000. The balances for the year were: exports of merchandise, $394,372,163; exports of gold, $108,568, and exports of silver, $20,081,768—a total of $414,562,499.

The following table, prepared by the Bureau of Statistics, shows the remarkable growth in our foreign trade by decennial periods since 1853:

Year.	*Imports.*	*Exports.*	*Total imports and exports.*
1853	$263,777,265	$203,489,282	$467,266,547
1863	243,335,815	203,964,447	447,300,262
1873	642,136,210	522,479,942	1,164,616,182
1883	723,180,914	823,839,402	1,547,020,316
1893	866,400,922	847,665,194	1,714,066,116
1903	1,025,619,127	1,419,991,290	2,445,610,417

Reference to the enormous production of pig iron is again in order, the weekly output having been further increased. On July 1 the furnaces in blast were producing at the rate of 414,636 tons per week, or at the rate of 21,500,000 tons a year. This is an increase of 103,686 tons weekly compared with a year ago. During the year ended June 30 the production in the United States was 17,821,307 tons as compared with 15,878,354 tons in the previous year.

The semi-annual statements of the trust companies in New York city and Brooklyn, covering the first half of the year, were issued a few days ago. There are forty eight of these institutions, and their total profits for the six months aggregated $25,084,618, which compares with $25,163,680 in the last half of 1902 and with $25,317,998 in the first half of 1902. This shows a small decrease this year compared with each of the periods in 1902. But there are eight companies now doing business which were not in existence a year ago, the profits of which this year were $800,900. The nine Brooklyn trust companies also show a gain over last year. Eliminating these companies there remain thirty-one New York companies, with profits of $22,299,478 compared with $23,377,534 in the same period last year, and with $22,837,835 in the last half of 1902.

While there is shown a considerable falling off in profits by these figures, it does not indicate the full extent of the change that has occurred. Eleven of these thirty-one companies, from one cause or other, have made gains, while the remaining twenty, representing about seventy per cent. of the total profits of the city institutions, earned only $15,667,009 compared with $18,756,120 in the first half of 1902, and with $18,540,209 in the second half. Here is seen a loss of $3,000,000, or sixteen per cent.

The National Banks.—The Comptroller of the Currency has issued a summary of the statements of the National banks of the country showing their condition on June 9. It marks a further expansion in the system, the number of banks in operation having increased to 4,939 from 4,845 on April 9, the date of the last previous statement, and from 4,535 on July 16, 1902. The aggregate capital is $743,506,048, an increase of $8,602,745 since April and of $41,515,494 in the last year. The total surplus and profits amount to $542,183,537, an increase of more than $11,000,000 since April and of nearly $60,000,000 since July, 1902. Individual deposits are again near a record point, the amount being $3,200,993,509. The only time this figure was exceeded was on September 15, 1902, when the total was $3,209,273,893. The increase since April is $32,000,000 and since July 16, 1902, $102,000,000. It was not until 1898 that the deposits ever reached $2,000,000,000. Loans are larger than were ever before reported, the total being $3,415,045,751, an increase since April of nearly $12,000,000 and since July, 1902, of $139,000,000. There has been a continuous increase in loans since September, 1899, the increase in that time being $919,000,000. The aggregate resource are $6,286,935,106, an increase since April of $74,000,000 and in the year of $278,000,000.

The following table shows some of the principal items of the statement submitted by the National banks during the past two years:

CONDITION OF THE NATIONAL BANKS OF THE UNITED STATES.

	Capital.	*Surplus.*	*Individual deposits.*	*Gold.*	*Silver.*	*Legal tenders.*
September 30, 1901	$655,341,880	$297,532,859	$2,937,753,233	$314,397,341	$62,284,530	$151,018,751
December 10, 1901	665,340,664	287,170,338	2,964,417,966	303,753,440	65,899,068	151,118,858
February 25, 1902.	667,381,231	294,951,787	2,962,489,301	337,851,267	69,230,896	154,682,644
April 30, 1902.....	617,176,312	298,597,509	3,111,690,196	321,866,068	76,894,493	159,292,682
July 16, 1902......	701,990,554	325,524,915	3,098,875,772	323,118,823	81,645,155	164,854,292
September 15, 1902	705,535,417	326,398,953	3,209,273,894	298,862,066	67,874,054	141,757,618
November 25, 1902	714,616,353	335,763,780	3,152,878,796	321,646,166	69,635,494	142,810,109
February 6, 1903..	731,275,237	351,140,286	3,159,534,592	338,703,779	78,868,867	153,025,573
April 9, 1903......	734,903,303	354,033,637	3,168,275,260	314,876,344	74,205,177	147,183,313
July 16, 1903.......	743,506,048	359,053,429	3,200,993,509	305,590,458	83,025,920	163,592,829

THE MONEY MARKET.—After the first of the month rates for call money were lower and a 2 per cent rate generally prevailed, although 3 per cent. was named on the last day of the month. Time money ruled at 6 per cent. much of the time. The market was affected by some large loans placed by railroad corporations. At the close of the month call money ruled at 1¾ @ 3 per cent., the average rate being 2 per cent. Banks and trust companies loaned at 2 per cent. as the minimum rate. Time money on Stock Exchange collateral is quoted at 4 per cent. for 60 to 90 days, 4½per cent. for 4 to 5 months, and 5¼ @ 5½ per cent. for 6 months on good mixed collateral. For commercial paper the rates are 5¾ per cent. for 60 to 90 days' endorsed bills receivable, 5¾ @ 6 per cent. for first-class 4 to 6 months' single names, and 6 @ 6½ per cent. for good paper having the same length of time to run.

MONEY RATES IN NEW YORK CITY.

	Mar. 1.	*Apr. 1.*	*May 1.*	*June 1.*	*July 1.*	*Aug. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances........	3 —4	6 —15	2½—3	2 —2½	4½—10	1¾—3
Call loans, banks and trust companies..............................	3 —	6 —	3½—4	2½—	2½—	2 —
Brokers' loans on collateral, 30 to 60 days..............................	4¾—5	5½— 5¾	4 —	4 —	4 —	4 —
Brokers' loans on collateral, 90 days to 4 months........................	5 —	5¼— 5½	4½—	4 —	4¾—5	4½—5
Brokers' loans on collateral, 5 to 7 months..........	4¾—5	5¼— 5½	4¾—5	4½—	5 — ½	5¼— ½
Commercial paper, endorsed bills receivable, 60 to 90 days...........	5 —5¼	5½— 5¾	5 —	4½— ¾	5 —	5¾—
Commercial paper prime single names, 4 to 6 months..............	5 —5¼	5½— 6	5 —5½	4¾—5¼	5 — ½	5¾—6
Commercial paper, good single names, 4 to 6 months..............	5½—	6 — 6½	5½—6	5½ - 6	6 —	6 — ½

NEW YORK CITY BANKS.—The weekly statements of the clearing-house banks were studied with exceptional interest during the past month, because of the severe decline in the stock market. They failed, however, to disclose any intimate relation between the changes in the bank items and in the values of securities. Loans declined nearly $8,000,000 in the week ended July 11 and $1,500,000 more in the following week, but have increased nearly $2,000,000 in the last two weeks. They are within $5,000,000 as large as on June 27. Deposits decreased nearly $12,000,000 in the first full week of the month, but in the last three weeks increased $17,700,000. The banks hold $12,000,000 more cash than on July 3, and their surplus reserve, which was down to about $8,000,000 early in the month, now exceeds $24,000,000. This is $10,000,000 in excess of the surplus held a year ago.

New York City Banks—Condition at Close of each Week.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
July 3...	$917,444,200	$159,302,300	$75,048,600	$903,892,200	$8,877,675	$43,909,100	$1,370,947,509
" 10...	909,529,000	156,673,100	74,371,200	892,143,300	8,008,475	43,910,200	1,311,052,985
" 18...	907,015,500	160,863,400	76,217,100	895,208,100	13,278,475	43,908,900	1,422,327,742
" 25...	907,899,700	166,367,100	78,142,500	902,376,800	18,915,400	43,819,200	1,253,588,603
Aug. 1...	908,864,500	170,738,300	80,786,200	909,857,700	24,060,075	43,862,600	1,240,665,368

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	*1901.*		*1902.*		*1903.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$854,189,200	$11,525,900	$910,860,800	$7,515,575	$873,115,000	$10,193,850
February......	969,917,500	24,838,825	975,997,000	26,623,350	931,778,900	27,880,775
March.........	1,012,514,000	14,801,100	1,017,488,800	9,975,925	956,206,400	5,951,900
April..........	1,004,283,200	7,870,500	965,353,300	6,965,575	894,260,000	6,280,900
May...........	970,790,500	16,759,775	968,189,600	7,484,000	905,760,200	11,181,850
June..........	952,398,200	21,253,050	948,326,400	11,929,000	913,081,800	9,645,150
July	971,382,000	8,484,200	955,829,400	12,978,350	903,719,800	12,923,850
August........	955,912,200	22,165,350	957,145,500	18,738,125	908,864,500	24,060,075
September....	968,121,900	11,919,925	935,998,500	9,742,775	....	....
October.......	936,452,300	16,293,025	876,519,100	3,236,625	....	....
November....	958,062,400	10,482,800	893,791,200	21,339,100	....	....
December.....	940,668,500	13,414,575	883,836,800	15,786,300	....	....

Deposits reached the highest amount, $1,019,474,200 on Feb. 21, 1901, loans, $950,208,700 on February 21, 1903, and the surplus reserve $111,623,000 on Feb. 3, 1894.

Non-Member Banks—New York Clearing-House.

DATES.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
June 27....	$79,293,600	$84,114,100	$3,593,500	$4,418,500	$7,756,500	$2,039,200	* $3,220,825
July 3....	79,201,300	85,861,000	3,414,600	4,297,100	9,216,400	2,164,500	* 2,372,650
" 11....	79,583,900	85,221,300	3,520,700	4,964,500	7,693,300	1,962,100	* 3,164,725
" 18....	79,044,100	84,783,600	3,500,100	4,735,800	8,392,700	2,078,600	* 2,788,700
" 25....	79,499,800	84,824,100	3,366,200	4,581,800	8,708,900	2,229,000	* 2,320,125

* Deficit.

Boston Banks.

DATES.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
June 27.......	$184,229,000	$201,513,000	$13,702,000	$7,321,000	$6,565,000	$112,563,300
July 3.......	185,899,000	212,217,000	16,180,000	6,701,000	6,597,000	140,711,900
" 11.......	187,197,000	208,036,000	16,654,000	6,633,000	6,583,000	140,619,500
" 18.......	187,940,000	209,393,000	17,339,000	7,191,000	6,570,000	138,325,200
" 25.......	186,595,000	206,036,000	16,571,000	7,280,000	6,571,000	125,820,100

PHILADELPHIA BANKS.

DATES.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
June 27	\$189,381,000	\$214,987,000	\$53,251,000	\$10,513,000	\$130,720,900
July 3	191,180,000	215,978,000	51,877,000	10,641,000	121,878,400
" 11	190,514,000	213,116,000	51,739,000	11,182,000	121,609,000
" 18	189,509,000	213,548,000	52,536,000	11,230,000	121,481,800
" 25	186,223,000	209,223,000	51,056,000	11,292,000	125,866,600

FOREIGN EXCHANGE.—There was a substantial decline in rates for sterling exchange during the month and the gold export movement, which was of some volume early in July, ceased. Late in the month the market was alternately affected by sales and purchases of American securities for European account.

RATES FOR STERLING AT CLOSE OF EACH WEEK.

WEEK ENDED.	BANKERS' STERLING. 60 days.	BANKERS' STERLING. Sight.	*Cable transfers.*	*Prime commercial, Long.*	*Documentary Sterling, 60 days.*
July 4	4.8520 @ 4.8530	4.8740 @ 4.8750	4.8770 @ 4.8785	4.84⅝ @ 4.84⅞	4.84¼ @ 4.85¼
" 11	4.8485 @ 4.8500	4.8715 @ 4.8725	4.8755 @ 4.8765	4.84½ @ 4.84¾	4.83⅞ @ 4.85
" 18	4.8410 @ 4.8420	4.8625 @ 4.8635	4.8650 @ 4.8665	4.83½ @ 4.83¾	4.83 @ 4.84
" 25	4.8385 @ 4.8400	4.8605 @ 4.8615	4.8635 @ 4.8645	4.83¼ @ 4.83½	4.82⅞ @ 4.83⅞
Aug. 1	4.8350 @ 4.8365	4.8575 @ 4.8590	4.8620 @ 4.8630	4.83⅛ @ 4.83¼	4.82½ @ 4.83⅝

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	Apr. 1.	*May 1.*	*June 1.*	*July 1.*	*Aug. 1.*
Sterling Bankers—60 days	4.83⅝— ⅞	4.84⅝— ¾	4.85⅛— ⅜	4.84⅞—85	4.83⅛— ⅝
" " Sight	4.86⅞— 7⅛	4.87¾— ⅞	4.88⅛— ¼	4.87¼— ½	4.85¾— ⅞
" " Cables	4.87½— ¾	4.88¼— ⅜	4.88¾— ⅞	4.87¾— ⅞	4.86¼— ⅜
" Commercial long	4.83 — 4	4.84¼— ⅜	4.84¾— 5	4.84¼— ¾	4.83⅛— ¼
" Docu'tary for paym't.	4.82¾— 3¾	4.83¾— 4¾	4.84¼— 5⅝	4.84 — 5¼	4.82½— 3⅝
Paris—Cable transfers	5.15⅝—	5.15 1/16— 1/32	5.15 —	5.15 —	5.16¼—
" Bankers' 60 days	5.18¾—	5.18⅛—	5.18⅛—17½	5.18⅛—	5.19⅜—
" Bankers' sight	5.16¼—	5.15⅝—	5.15⅝—	5.15⅝—	5.16⅞—
Swiss—Bankers' sight	5.16⅞—	5.15⅝—	5.15 1/32—15	5.15⅝—	5.16⅞—
Berlin—Bankers' 60 days	94⅝— 11/16	94¾— 13/16	94⅞— 15/16	95 — 1/16	94 15/16—
" Bankers' sight	95 — 1/16	95¼—	95⅛—	95½— 9/16	95 5/16— ⅜
Belgium—Bankers' sight	5.17½—16⅞	5.16¼—	5.16¼—	5.16¼—	5.17½—
Amsterdam—Bankers' sight	40 1/16— ⅛	40¼— 5/16	40¼—	40 5/16— ⅜	40¼—
Kronors—Bankers' sight	20.74— .76	26.79—26.81	26.86—26.88	26.89 —26.91	26.82—26.84
Italian lire—sight	5.16¼—15	5.16¼—15	5.15⅝—	5.15⅝— 1/16	5.16⅞— ¼

MONEY RATES ABROAD.—There was no change in the posted rates of discount of the European banks last month, but as July came to an end market rates were somewhat firmer. Discounts of 60 to 90 day bills in London at the close of the month were 2½ @ 2⅝ per cent. against 2⅝ per cent. a month ago. The open market rate at Paris was 2½ @ 2⅝ per cent. against 2¾ per cent. a month ago, and at Berlin and Frankfort 3¼ per cent., the same as a month ago.

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	Apr. 2, 1903.	*May 13, 1903.*	*June 10, 1903.*	*July 15, 1903.*
Circulation (exc. b'k post bills)	£29,357,000	£28,570,570	£28,934,660	£29,625,505
Public deposits	13,000,000	7,125,650	7,325,453	6,914,657
Other deposits	44,081,000	59,096,612	40,890,446	41,449,922
Government securities	14,510,000	14,709,631	14,973,219	15,342,840
Other securities	56,047,000	44,490,255	25,422,185	25,988,711
Reserve of notes and coin	25,015,000	24,779,212	25,648,175	25,148,480
Coin and bullion	36,198,026	35,374,962	36,407,835	36,596,985
Reserve to liabilities	43.73%	37⅝%	53 1/16%	51⅞%
Bank rate of discount	4%	4%	3½%	3%
Price of Consols (2¾ per cents.)	90¼	92 5-16	90¾	92 11/16
Price of silver per ounce	22¾d.	24⅞d.	24⅛d.	24¾d.

European Banks.—The Bank of England lost $3,000,000 gold in July, and the Bank of Germany about the same. France gained nearly $10,000,000, and Russia $20,000,000. As compared with a year ago England has about $10,000,000 less, France $6,000,000 less, Germany $8,000,000 less, Russia $35,000,000 more and Austria-Hungary $6,000,000 more.

Gold and Silver in the European Banks.

	June 1, 1903.		*July 1, 1903.*		*August 1, 1903.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England............	£35,849,626	....	£37,708,583	....	£36,058,271	....
France.............	100,050,618	£44,685,396	100,520,160	£45,060,980	102,468,410	£45,024,536
Germany...........	35,054,000	12,816,000	36,185,000	12,714,000	35,548,000	12,490,000
Russia.............	77,576,000	8,883,000	77,165,000	8,936,000	81,344,000	8,978,000
Austria-Hungary..	46,125,000	13,151,000	45,801,000	13,180,000	45,358,000	13,066,000
Spain...............	14,516,000	20,384,000	14,554,000	20,633,000	14,584,000	20,468,000
Italy...............	17,919,000	2,263,400	18,377,000	2,246,800	18,988,000	2,315,000
Netherlands.......	3,940,000	6,564,400	3,940,300	6,644,200	3,940,000	6,520,400
Nat. Belgium......	3,064,667	1,542,333	3,093,333	1,546,667	2,940,000	1,470,333
Totals..........	£334,114,911	£109,789,529	£337,344,376	£110,961,647	£341,228,681	£110,332,469

Silver.—The market for silver in London was strong, the price steadily advancing throughout the month. From 24¼d. on July 1 it advanced to 25⅝d. on July 28, the final price for the month being 25 5-16d., a net advance of 1 1-16d.

Monthly Range of Silver in London—1901, 1902, 1903.

Month.	*1901.*		*1902.*		*1903.*		Month.	*1901.*		*1902.*		*1903.*	
	High	*Low.*	*High*	*Low.*	*High*	*Low.*		*High*	*Low.*	*High*	*Low.*	*High*	*Low.*
January..	29 3/16	27⅞	26 1/16	25⅝	22⅝	21 11/16	July......	28 3/16	27¾	24 9/16	24 5/16	25⅝	24¼
February	28 1/16	27⅞	25⅝	25 5/16	22 1/16	21⅞	August ..	28 7/16	27 11/16	24 7/16	24⅛	....	....
March....	28 1/16	27 5/16	25 7/16	24 11/16	22 11/16	22⅛	Septemb'r	28 1/16	29¼	24⅛	23 9/16	....	....
April.....	27 11/16	26 11/16	24⅞	23 1/16	25 1/16	23⅝	October..	30 1/16	29⅛	23 11/16	23¼	....	....
May......	27⅝	27 1/16	24⅛	23 5/16	25¼	24 5/16	Novemb'r	29 11/16	29 7/16	23¼	21¾	....	....
June.....	27⅝	27¼	24 7/16	23 13/16	24 9/16	24⅛	Decemb'r	29 5/16	29⅛	22½	21 11/16	....	....

Foreign and Domestic Coin and Bullion—Quotations in New York.

	Bid.	*Asked.*		*Bid.*	*Asked.*
Sovereigns & Bk. of Eng. notes.	$4.86	$4.90	Mexican 20 pesos...............	$19.52	$19.60
Twenty francs..................	3.87	3.90	Ten guilders......................	3.95	4.00
Twenty marks...................	4.78	4.82	Mexican dollars.................	.42½	.44½
Twenty-five pesetas...........	4.76	4.80	Peruvian soles...................	.40	.44
Spanish doubloons.............	15.55	15.60	Chilian pesos.....................	.40	.44
Mexican doubloons............	15.55	15.65			

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 25 5/16d. per ounce. New York market for large commercial silver bars, 54⅞ @ 56¼c. Fine silver (Government assay), 55⅛ @ 56¾c. The official price was 54¾c.

Government Revenues and Disbursements.—The Treasury statement for the first month of the new fiscal year shows a deficit of $7,776,613. A year ago there was a deficit of about $7,500,000. The receipts were $48,611,575, a decrease of about

United States Treasury Receipts and Expenditures.

Receipts.

Source.	*July, 1903.*	*Since July 1, 1903.*
Customs............	$23,146,507	$23,146,507
Internal revenue...	21,959,743	21,959,743
Miscellaneous.......	3,505,325	3,505,325
Total..............	$48,611,575	$48,611,575
Excess of receipts..	*7,776,613	*7,776,613

Expenditures.

Source.	*July, 1903.*	*Since July 1, 1903.*
Civil and mis........	$14,739,358	$14,739,358
War..................	17,953,685	17,953,685
Navy.................	7,579,049	7,579,049
Indians..............	1,070,394	1,070,394
Pensions............	11,976,731	11,976,731
Interest.............	3,068,971	3,068,971
Total............	$56,388,188	$56,388,188

* Excess of expenditures.

$700,000 compared with last year, but customs receipts alone were reduced nearly $1,300,000. Expenditures were $56,388,188, a reduction of $425,000.

GOLD AND SILVER COINAGE.—The mints have been so busy with the Philippine coinage that the coinage of American coins has been merely nominal. In fact, not a single gold piece was minted nor a silver dollar. There were $387,827.25 dimes and quarters coined and $33,310 minor coins. The Philippine coinage amounted to 12,069,112 pieces.

COINAGE OF THE UNITED STATES.

	1901.		*1902.*		*1903.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
January	$12,657,200	$2,713,000	$7,660,000	$2,908,637	$7,635,178	$1,707,000
February	9,230,300	2,242,166	6,643,850	2,489,000	7,488,510	1,521,000
March	6,182,152	3,120,580	1,558	2,965,577	6,879,920	1,595,987
April	18,958,000	2,633,000	3,480,315	3,388,273	137,400	1,809,000
May	9,325,000	3,266,000	426,000	1,873,000	69,000	1,584,000
June	5,948,030	2,836,185	500,345	2,464,353	610	3,840,222
July	4,225,000	1,312,000	2,120,000	2,254,000	....	337,327
August	6,780,000	3,141,000	8,040,000	2,236,000	....	....
September	4,100,178	3,899,524	3,560,860	2,831,165	....	....
October	5,750,000	2,791,489	1,890,000	2,287,000	....	....
November	6,270,000	917,000	2,675,000	2,399,000	....	....
December	12,309,338	1,966,514	6,277,925	1,932,216	....	....
Year	$101,735,187	$30,838,461	$47,109,852	$29,928,167	$22,210,610	$12,394,536

NATIONAL BANK CIRCULATION.—The circulation of the National banks was increased $3,675,837 last month, making the increase in the last twelve months more than $58,000,000. The circulation based on bonds increased $5,311,418 during the month and nearly $61,000,000 in the year. The offer of the Secretary of the Treasury to refund 3 and 4 per cent. bonds into 2 per cents expired on August 1 and in the four months since it was made more than $81,000,000 bonds have been refunded. The National banks have deposited since April 1 nearly $50,000,000 of these 2 per cent. bonds to secure circulation and have nearly $378,000,000 on deposit for this purpose, while about $105,000,000,000 are deposited to secure public deposits.

NATIONAL BANK CIRCULATION.

	Apr. 30, 1903.	*May 31, 1903.*	*June 30, 1903.*	*July 31, 1903.*
Total amount outstanding	$391,151,728	$406,443,205	$413,670,650	$417,346,487
Circulation based on U. S. bonds	347,564,355	363,586,987	372,295,408	377,606,826
Circulation secured by lawful money	43,587,373	42,856,218	41,375,242	39,739,661
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent.	3,994,950	3,655,500	3,375,500	3,264,750
Five per cents. of 1894	701,400	632,400	632,400	556,150
Four per cents. of 1895	2,010,100	1,585,100	1,570,100	1,580,100
Three per cents. of 1898	3,078,920	2,391,820	2,368,820	2,179,380
Two per cents. of 1900	342,910,750	359,583,100	367,400,950	372,642,650
Total	$352,696,120	$367,827,920	$375,347,270	$380,173,030

The National banks have also on deposit the following bonds to secure public deposits; 4 per cents. of 1907, $4,411,200; 5 per cents. of 1894, $4,611,450: 4 per cents. of 1895, $10,469,750; 3 per cents. of 1898, $7,025,020; 2 per cents. of 1900, $104,985,200; District of Columbia 3.65's, 1924, $1,689,000; State and city bonds, $16,530,900; Philippine Island certificates, $2,989,000, a total of $152,711,520.

UNITED STATES PUBLIC DEBT.—There was practically no change in the aggregate bonded debt, but $6,600,000 of 3 and 4 per cent. bonds were exchanged for 2 per cents and the latter now amount to $526,752,800. There was a reduction of $1,000,000 in the National bank-note redemption account, an increase of $3,000,000 in gold certificates and a decrease of $1,000,000 in silver certificates and of about $700,000 Treasury notes of 1890. The net cash balance was reduced $6,000,000 and the total debt less cash in the Treasury was increased $5,000,000.

United States Public Debt.

	Jan. 1, 1903.	June 1, 1903.	July 1, 1903.	Aug. 1, 1903.
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent.......	$445,940,750	$515,411,050	$520,143,150	$526,752,800
Funded loan of 1907, 4 "	233,178,650	176,434,800	173,385,650	168,384,950
Refunding certificates, 4 per cent......	31,230	30,700	30,600	30,540
Loan of 1904, 5 per cent.................	19,385,050	19,385,050	19,385,050	19,385,050
" 1925, 4 "	118,489,900	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent........	97,515,660	84,789,860	83,107,060	81,498,160
Total interest-bearing debt...........	$914,541,240	$914,541,360	$914,541,410	$914,541,400
Debt on which interest has ceased... ...	1,255,710	1,214,900	1,205,090	1,205,070
Debt bearing no interest:				
Legal tender and old demand notes.....	346,734,863	346,734,863	346,734,863	346,734,863
National bank note redemption acct..	42,169,652	41,494,116	40,053,308	38,962,178
Fractional currency.....................	6,872,594	6,871,690	6,871,241	6,871,240
Total non-interest bearing debt......	$395,774,109	$395,100,670	$393,659,412	$392,568,282
Total interest and non-interest debt.	1,311,574,059	1,310,856,930	1,309,405,912	1,308,314,752
Certificates and notes offset by cash in the Treasury:				
Gold certificates.........................	383,564,069	411,190,869	409,109,869	412,087,869
Silver "	468,957,000	462,550,000	464,706,000	463,614,000
Treasury notes of 1890	24,053,000	20,013,000	19,243,000	18,556,000
Total certificates and notes...........	$876,574,069	$893,762,869	$893,058,869	$894,257,869
Aggregate debt	2,188,148,128	2,204,619,799	2,202,464,781	2,202,572,621
Cash in the Treasury:				
Total cash assets	1,331,081,200	1,357,349,939	1,362,698,474	1,366,194,228
Demand liabilities.......................	966,671,820	982,181,041	978,304,198	987,902,783
Balance	$364,409,380	$375,168,898	$384,394,275	$378,291,444
Gold reserve.............................	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance........................	214,409,380	225,168,898	234,394,275	228,291,444
Total	$364,409,380	$375,168,898	$384,394,275	$378,291,441
Total debt, less cash in the Treasury.	947,164,679	935,688,032	925,011,937	930,023,311

United States Foreign Trade.—The exports of merchandise in June amounted to only about $95,000,000, the smallest for any month since August, 1902. There was an increase of nearly $6,000,000, however, as compared with June a year ago. Imports of merchandise aggregated nearly $82,000,000, an increase of nearly $9,000,000 over June, 1902. The net exports were about $13,000,000, a decrease of $3,000,000. We exported $7,740,000 gold and imported net nearly $500,000 of silver. Not in years have the imports of silver exceeded the exports before. The record for the fiscal year ended June 30 shows total exports of $1,419,991,290, the largest for any year except 1901; imports, $1,025,619,127, the largest ever recorded, and net exports $394,372,163, the smallest in seven years.

Exports and Imports of the United States.

Month of June.	Merchandise.			Gold Balance.	Silver Balance.
	Exports.	Imports.	Balance.		
1898..................	$94,978,723	$51,265,231	Exp., $43,713,492	Imp., $2,955,063	Exp., $2,127,847
1899..................	96,394,227	61,757,309	" 34,636,918	Exp., 17,802,641	" 1,947,906
1900..................	108,651,957	61,001,367	" 47,650,590	" 4,364,692	" 288,345
1901..................	102,774,263	68,404,657	" 34,369,606	" 2,084,101	" 2,684,548
1902..................	89,240,483	73,115,054	" 16,125,429	Imp., 3,694,932	" 1,447,213
1903..................	95,076,457	81,892,941	" 13,183,516	Exp., 7,740,035	Imp., 499,395
Twelve Months.					
1898..................	1,231,482,330	616,049,654	Exp., 615,432,676	Imp., 104,985,283	Exp., 24,177,458
1899..................	1,227,023,302	697,148,489	" 529,874,813	" 51,432,517	" 25,643,999
1900..................	1,394,483,082	849,941,184	" 544,541,898	Exp., 3,693,575	" 21,455,973
1901..................	1,487,764,991	823,172,165	" 664,592,826	Imp., 12,866,010	" 27,896,659
1902..................	1,381,719,401	903,320,948	" 478,398,453	" 3,452,304	" 21,500,186
1903..................	1,419,991,290	1,025,619,127	" 394,372,163	Exp., 108,568	" 20,061,768

MONEY IN CIRCULATION IN THE UNITED STATES.—The volume of money in circulation increased in July nearly $6,000,000 and is $121,000,000 greater than it was a year ago. There was an increase of $7,300,000 in gold certificates and of about $1,000,000 in National bank notes, other forms of money showing a decrease.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1903.	*June 1, 1903.*	*July 1, 1903.*	*Aug. 1, 1903.*
Gold coin	$629,680,632	$623,982,009	$621,545,146	$620,879,790
Silver dollars	78,310,334	73,417,209	72,349,806	72,568,354
Subsidiary silver	94,350,669	91,867,189	92,195,600	92,246,380*
Gold certificates	346,418,819	381,254,489	379,043,889	386,369,399
Silver certificates	463,570,632	456,586,731	455,079,538	454,893,932
Treasury notes, Act July 14, 1890	23,920,426	19,866,742	19,109,670	18,467,578
United States notes	343,770,858	340,109,538	336,591,372	335,195,565
National bank notes	368,678,531	395,090,918	400,408,189	401,397,500
Total	$2,348,700,901	$2,382,174,825	$2,379,323,218	$2,382,018,498
Population of United States	79,799,000	80,372,000	80,847,000	80,602,000
Circulation per capita	$29.43	$29.64	$29.39	$29.55

MONEY IN THE UNITED STATES TREASURY.—The gross amount of money in the Treasury increased $8,000,000 last month, but the increased issue of gold certificates makes the increase in the net amount in Treasury only $1,600,000. In the vaults of the Treasury is now stored away $1,173,000,000; all but about $27,000,000 is in coin and bullion.

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1903.	*June 1, 1903.*	*July 1, 1903.*	*Aug. 1, 1903.*
Gold coin and bullion	$617,196,083	$637,463,115	$631,186,844	$634,869,278
Silver dollars	470,783,167	481,008,617	485,798,190	485,579,592
Silver bullion	23,057,667	18,463,267	15,311,210	15,836,557
Subsidiary silver	6,419,206	9,636,251	9,411,209	9,432,720
United States notes	2,910,158	6,571,478	10,088,644	11,485,451
National bank notes	16,251,253	11,352,287	13,262,461	15,948,987
Total	$1,136,617,534	$1,164,495,015	$1,165,059,508	$1,173,152,585
Certificates and Treasury notes, 1890, outstanding	833,909,877	857,707,962	853,233,097	859,730,909
Net cash in Treasury	$302,707,657	$306,787,053	$311,826,411	$313,421,676

SUPPLY OF MONEY IN THE UNITED STATES.—Although some gold was exported from the United States in July the Treasury estimate of the supply of gold in the country on August 1 shows an increase of $3,000,000 for that month. The total stock of money increased more than $7,000,000, the increased issue of National bank notes with the gain in gold being the sources of supply.

SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1903.	*June 1, 1903.*	*July 1, 1903.*	*Aug. 1, 1903.*
Gold coin and bullion	$1,246,876,715	$1,261,445,124	$1,252,731,990	$1,255,749,068
Silver dollars	549,093,501	554,425,826	558,147,946	558,147,946
Silver bullion	23,057,667	18,463,267	15,311,210	15,836,557
Subsidiary silver	100,769,875	101,503,440	101,606,809	101,679,100
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	384,929,784	406,443,205	413,670,650	417,346,487
Total	$2,651,408,558	$2,688,961,878	$2,688,149,621	$2,695,440,174

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of July, and the highest and lowest during the year 1903, by dates, and also, for comparison, the range of prices in 1902:

	Year 1902.		Highest and Lowest in 1903.		July, 1903.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	95⅝	74¼	89⅞—Jan. 10	61¼—July 30	69⅛	61¼	62⅝
″ preferred	106⅛	95½	103⅛—Jan. 10	87—July 24	93⅛	87	88½
Baltimore & Ohio	118⅛	95⅝	104—Jan. 9	79⅛—June 10	87	80⅝	83¼
Baltimore & Ohio, pref.	99	92	96¾—Feb. 11	82¾—July 25	95¼	82¾	85⅞
Brooklyn Rapid Transit	72⅝	54¾	71⅛—Feb. 17	41—July 24	59½	41	46
Canadian Pacific	145¼	112¼	138¾—Feb. 10	117½—June 10	125⅝	118	122¾
Canada Southern	97	71	78½—Jan. 5	60—July 11	63	60	60
Central of New Jersey	198	165	190—Jan. 19	156½—July 27	170	156½	162
Ches. & Ohio vtg. ctfs.	57⅛	45⅝	53⅝—Feb. 10	31—July 24	39⅝	31	32⅛
Chicago & Alton	45⅝	29½	37¼—Jan. 5	19⅞—July 24	26⅞	19⅞	21¾
″ preferred	79	68	73⅛—Jan. 7	64¾—July 30	67½	64¾	64¾
Chicago, Great Western	35	22	29⅝—Jan. 9	13½—July 27	19½	13½	15½
Chic., Milwaukee & St. Paul	198¾	160½	183¼—Jan. 7	137¼—July 24	152⅜	137¼	141⅝
″ preferred	200¾	186	194¼—Jan. 9	169—July 15	177¾	169	172½
Chicago & Northwestern	271	204⅛	224½—Jan. 14	160—July 24	171¾	160	166
″ preferred	274½	230	250—Jan. 7	198—July 10	203	198	200
Chic., St. Paul, Minn. & Om.	170½	140	162—Jan. 19	117—July 14	125	117	121
″ preferred	210	194⅞	194—Jan. 5	190—May 10	....	....	....
Chicago Terminal Transfer	24⅞	15	19⅞—Jan. 9	9¾—July 27	14⅛	9¾	11
″ preferred	44	29	36—Jan. 8	18—July 24	24⅝	18	19¼
Clev., Cin., Chic. & St. Louis	108⅝	93	99⅝-Jan. 6	70—July 24	88	70	24
Col. Fuel & Iron Co.	110½	73¾	82½—Jan. 6	40—July 27	65¼	40	44
Colorado Southern	35¾	14⅛	31⅜—Jan. 7	10—July 24	18¼	10	13¾
″ 1st preferred	79½	59¼	72—Jan. 9	48½—July 27	58½	48½	51¾
″ 2d preferred	53⅞	28	48—Jan. 8	20¼—July 27	28⅝	20¼	22
Consolidated Gas Co.	230¾	205	222—Jan. 7	181½—July 15	194½	181½	185⅛
Delaware & Hud. Canal Co.	184½	153½	183½—Feb. 2	160¼—July 25	175	160¼	164
Delaware, Lack. & Western	297	231	276½—Jan. 8	230—July 24	257⅛	230	249
Denver & Rio Grande	51¾	35⅛	43—Feb. 9	21⅛—July 24	29¼	21⅛	24
″ preferred	96¾	86½	90½—Feb. 9	76½—July 25	83¼	76½	78⅛
Erie	44⅝	28⅝	42⅝—Jan. 9	27¼—July 27	34⅛	27¼	29⅝
″ 1st pref	75¾	60½	74—Feb. 5	62⅛—Apr. 13	69½	63½	66⅞
″ 2d pref	63¾	41½	64⅞—Feb. 5	44—July 24	57½	44	49½
Evansville & Terre Haute	74⅜	50	72½—Jan. 8	39½—July 27	64½	39½	52
Express Adams	240	198	235—Feb. 11	214—Mar. 10	223¼	221	221
″ American	265	210	235—Feb. 5	178—July 21	190	178	180
″ United States	130	97	150¼—Feb. 4	98¾—July 27	112	98¾	100
″ Wells, Fargo	251	185	249½—Feb. 6	191—July 14	191	191	191
Great Northern, preferred	203	181½	209—Jan. 22	170—July 16	176	170	173
Hocking Valley	106	66	106½—Feb. 20	71—July 27	94½	71	74
″ preferred	98⅝	81⅛	99¼—Mar. 2	80—July 30	92	80	82½
Illinois Central	173½	137	151—Jan. 10	125⅛—July 15	134¾	125⅛	130
Iowa Central	51¾	37½	48—Jan. 12	16—July 27	28½	16	18
″ preferred	90⅜	65	77⅜—Jan. 12	32—July 24	47½	32	34½
Kansas City Southern	39	19	36¼—Jan. 12	18—July 24	23	18	22½
″ preferred	63¾	44	61¼—Jan. 22	37—July 24	43¼	37	38
Kans. City Ft. S. & Mem. pref.	88	75	82¾—Feb. 26	67—July 25	75½	67	69
Lake Erie & Western	71½	40	53—Jan. 8	25¾—June 10	31	26	26
″ preferred	138	120	118—Feb. 6	94—July 24	103	94	100
Long Island	91⅞	72⅛	83—Jan. 7	60—June 10	62	60	61
Louisville & Nashville	159½	102⅛	130½—Jan. 8	101¾—July 24	112	101¾	104¼
Manhattan consol	158	128	155½—Jan. 14	129½—July 15	138⅝	129½	133
Metropolitan Street	174	135	142⅞ Jan. 6	112—July 27	123¾	112	119
Mexican Central	31⅛	20⅝	29—Mar. 23	11—July 24	22¾	11	13⅞
Minneapolis & St. Louis	115	105	110—Jan. 9	58½-July 29	83¼	58½	58½
″ preferred	127¾	118½	118—Feb. 27	85½—July 31	110	85½	85½
Missouri, Kan. & Tex.	35¾	22½	30½—Jan. 5	18½—June 10	22¾	18¾	19¾
″ preferred	69¾	51	63½—Feb. 10	36—July 27	50½	36	39
Missouri Pacific	125½	96¾	115⅞—Feb. 10	95⅝—July 24	106¼	95⅝	98¼
N. Y. Cent. & Hudson River	168⅞	147	156—Jan. 10	112⅝—July 15	127½	112⅝	120
N. Y., Chicago & St. Louis	57⅝	40	45—Jan. 7	21⅛—July 24	26½	21⅛	24
″ 2d preferred	100	80	87—Jan. 19	60—July 29	72	60	61½
N. Y., Ontario & Western	37⅝	25¼	35¼—Feb. 5	21⅝—July 24	26½	21⅝	22¾

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1902.		Highest and Lowest in 1903.		July, 1903.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Norfolk & Western	78⅛	55	76¼—Feb. 10	58 —June 10	68¾	60⅛	62⅞
" preferred	98	90	93½—Feb. 2	86 —July 29	91¼	86	86
North American Co	134	88	124½—Jan. 7	70 —July 25	85¾	70	75¾
Pacific Mail	49⅝	37	42¾—Jan. 7	18 —July 27	28	18	20
Pennsylvania R. R	170	147	157⅝—Jan. 10	118⅛—July 15	126¼	118⅛	123⅝
People's Gas & Coke of Chic.	109⅛	98¼	108⅜—Feb. 10	92 —July 24	99¼	92	93¾
Pullman Palace Car Co	250	215	235¾—Jan. 14	196 —July 15	210	196	210
Reading	78⅛	52¼	69¼—Jan. 2	41⅝—June 10	52⅝	46¼	49
" 1st prefered	90¼	79⅞	89⅞—Feb. 5	80 —July 27	83⅛	80	81¼
" 2d preferred	80⅞	60	81 —Jan. 6	60 —June 10	70½	66	68¾
Rock Island	50⅛	32½	53⅝—Jan. 9	20¾—July 24	35	20¾	24¼
" preferred	85½	71	86 —Jan. 9	60½—July 27	73	60½	63
St. Louis & San Francisco	85⅛	53¾	90½—Feb. 24	56 —July 25	71¾	56	56
" 1st preferred	90	77	88 —Feb. 20	73 —July 13	73	73	73
" 2d preferred	80⅝	65½	78 —Feb. 24	47⅞—July 27	61½	47⅞	50
St. Louis & Southwestern	39	24½	30 —Jan. 7	13½—July 15	18	13½	14¼
" preferred	80	55¼	66 —Jan. 7	29½—July 27	39¾	29½	31
Southern Pacific Co	81¼	56	68¼—Mar. 19	40 —July 24	50⅞	40	44
Southern Railway	41⅜	28	36⅞—Jan. 9	20 —July 24	24⅞	20	20¾
" preferred	98½	89¾	96 —Feb. 9	83¾—July 27	89	83¾	85
Tennessee Coal & Iron Co	74⅝	49½	68¾—Mar. 21	36½—July 27	53½	36½	39
Texas & Pacific	54¾	37	43⅜—Feb. 10	24 —July 24	30½	24	25¾
Toledo, St. Louis & Western	33¼	18½	31⅞—Jan. 9	18 —July 24	26¼	18	22½
" preferred	49¾	35	48 —Jan. 8	25 —July 25	45	25	29
Union Pacific	113¼	93⅛	104⅝—Jan. 9	72¼—July 24	82⅞	72¼	74⅞
" preferred	95	86⅝	95¼—Feb. 11	84 —July 27	88¾	84	85¾
Wabash R. R	38¾	21¾	32¾—Feb. 27	19¾—June 10	24⅞	20	21¾
" preferred	54½	37	55¼—Feb. 24	34⅞—July 24	45	34⅞	37
Western Union	97½	84¾	93 —Jan. 14	81¾—May 25	85⅛	82	84
Wheeling & Lake Erie	30¼	17	27½—Feb. 9	12 —July 24	21¾	12	15¼
" second preferred	42⅜	28	38½—Feb. 10	29 —July 28	32⅜	29	29½
Wisconsin Central	31	19⅛	29¼—Feb. 9	15 —July 24	21⅜	15	18
" preferred	57⅜	39½	55½—Feb. 6	35¾—July 24	42⅝	35¾	37¾
"INDUSTRIAL"							
Amalgamated Copper	79	53	75⅝—Mar. 12	35¾—July 24	56⅛	35¾	41⅝
American Car & Foundry	37⅝	28¼	41¾—Jan. 19	29¾—July 24	38¾	29¾	32½
" pref	93⅜	85¼	93 —Jan. 6	82⅝—July 27	90	82⅝	84
American Co. Oil Co	57¾	30½	46¼—Feb. 20	27½—July 30	36⅛	27½	29⅝
American Ice	31⅞	9½	11⅞—Jan. 31	5 —July 25	7⅞	5	6⅝
American Locomotive	36⅞	23½	31⅝—Feb. 17	16 —July 24	24¼	16	18
" preferred	100¼	89	95¾—Feb. 17	81⅛—July 24	90½	81⅛	83½
Am. Smelting & Refining Co.	49⅝	36⅞	52⅞—Feb. 17	37½—July 24	46½	37½	42¾
" preferred	100⅛	87½	99½—Feb. 16	89 —July 24	93	89	90⅞
American Sugar Ref. Co	135⅛	113	134⅜—Jan. 8	112 —July 20	122½	112	116
Anaconda Copper Mining	146	80	125½—Feb. 25	64 —July 24	88	64	72¾
Continental Tobacco Co. pref.	126½	114	119 —Jan. 2	103 —July 27	109	103	105¼
Corn Products	38⅜	27	35 —Mar. 23	25½—July 27	30¾	25½	28
" preferred	90	79⅝	85⅛—Jan. 19	78½—June 5	80¾	78¾	79
Distillers securities	33	27	34¾—Jan. 6	20 —July 24	28	20	22⅝
General Electric Co	334	170	204 —Feb. 16	153 —July 27	177	153	162¼
International Paper Co	23⅝	16½	19⅞—Jan. 5	9 —July 28	15½	9	11¼
" preferred	77⅛	70	74¼—Feb. 6	60¼—July 27	68½	60¼	63½
International Power	199	49	73 —Jan. 19	38¾—June 5	51¼	41	41
National Biscuit	53¼	40	47⅝—Feb. 17	35¼—July 27	40⅛	35¼	37
National Lead Co	32	15⅝	29½—Feb. 5	11⅞—July 27	17⅝	11⅞	14
Pressed Steel Car Co	63½	39	65¾—Jan. 26	40 —July 27	54	40	44½
" preferred	96½	82¾	95 —Feb. 20	80 —July 24	87⅛	80	82⅞
Republic Iron & Steel Co	24¾	15⅝	22⅝—Feb. 18	10½—July 25	15	10½	11¾
" preferred	83⅜	68	80⅜—Feb. 18	64 —July 27	74¾	64	64½
Rubber Goods Mfg. Co	25⅝	17¼	30 —Feb. 16	12 —July 25	23	12	13⅝
" preferred	74	63	84½—Feb. 17	60 —July 25	79½	60	66
U. S. Leather Co	15¼	10½	15¼—Feb. 11	6¾—July 25	9⅝	6¾	7½
" preferred	91¼	79⅞	96¾—May 12	77½—July 27	86⅝	77½	80
U. S. Realty & Con	32	20	28½—Jan. 2	9 —July 23	16⅝	9	9¾
U. S. Rubber Co	19⅝	14	19⅛—Feb. 10	7 —July 27	13¾	7	10
" preferred	64	49½	58 —Feb. 10	30¼—July 27	49½	30¼	36
U. S. Steel	46¾	29¾	39⅞—Feb. 5	21⅜—July 24	31⅝	21⅜	23⅝
" pref	97¾	79	89¾—Jan. 7	68½—July 24	82⅛	68½	71¾

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

Last Sale, Price and Date and Highest and Lowest Prices and Total Sales for the Month.

Note.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	July Sales. High.	July Sales. Low.	July Sales. Total.
Ann Arbor 1st g 4's	1995	7,000,000	Q J	94½	July 28,'03	95½	94	43,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	138,155,000	A & O	99⅜	July 31,'03	100	99	1,212,500
〃 registered		....	A & O	97¾	July 30,'03	99¾	97¾	22,000
〃 adjustment, g. 4's	1995	25,616,000	NOV	88	July 31,'03	90	87	242,000
〃 registered		....	NOV	75	July 25,'03	75	75	4,000
〃 stamped	1995	26,112,000	M & N	85½	July 31,'03	88½	84	149,500
〃 serial debenture 4's—								
〃 series A	1903	2,500,000	F & A	97	Aug. 5,'02	....	....	....
〃 registered		....	F & A	....	....	....	....	....
〃 series B	1904	2,500,000	F & A	....	....	....	....	....
〃 registered		....	F & A	....	....	....	....	....
〃 series C	1905	2,500,000	F & A	....	....	....	....	....
〃 registered		....	F & A	....	....	....	....	....
〃 series D	1906	2,500,000	F & A	....	....	....	....	....
〃 registered		....	F & A	....	....	....	....	....
〃 series E	1907	2,500,000	F & A	....	....	....	....	....
〃 registered		....	F & A	....	....	....	....	....
〃 series F	1908	2,500,000	F & A	....	....	....	....	....
〃 registered		....	F & A	....	....	....	....	....
〃 series G	1909	2,500,000	F & A	....	....	....	....	....
〃 registered		....	F & A	....	....	....	....	....
〃 series H	1910	2,500,000	F & A	....	....	....	....	....
〃 registered		....	F & A	....	....	....	....	....
〃 series I	1911	2,500,000	F & A	....	....	....	....	....
〃 registered		....	F & A	....	....	....	....	....
〃 series J	1912	2,500,000	F & A	....	....	....	....	....
〃 registered		....	F & A	....	....	....	....	....
〃 series K	1913	2,500,000	F & A	....	....	....	....	....
〃 registered		....	F & A	....	....	....	....	....
〃 series L	1914	2,500,000	F & A	92⅞	Nov.10,'02	....	....	....
〃 registered		....	F & A	....	....	....	....	....
〃 East.Okla.div.1st g.4's	1928	4,520,000	M & S	....	....	....	....	....
〃 〃 registered		....	M & S	....	....	....	....	....
〃 Chic. & St. L. 1st 6's	1915	1,500,000	M & S	....	....	....	....	....
Atl. Knox. & Nor. Ry. 1st g. 5s	1946	1,000.000	J & D	114½	Oct. 8,'02	....	....	....
Atlan.Coast Line R.R.Co.1st g.4's	1952	30,981,000	M & S	93	July 30,'03	94¼	92½	237,000
〃 registered			M & S	....	....	....	....	....
Balt. & Ohio prior lien g. 3½s	1925	69,798,000	J & J	92	July 30,'03	93½	91½	309,000
〃 registered			J & J	94½	Jan. 12,'03	....	....	....
〃 g. 4s	1948	65,963,000	A & O	101	July 31,'03	101¼	99¾	519,000
〃 g. 4s. registered			A & O	102	May 29,'03	....	....	....
〃 ten year c. deb. g. 4's	1911	592,000	M & S	103	Apr. 18,'03	....	....	....
Pitt Jun. & M. div. 1st g. 3½s.	1925	11,293,000	M & N	89	June 9,'03	....	....	....
〃 registered			QFeb	....	....	....	....	....
Pitt L. E. & West Va. System refunding g 4s	1941	20,000,000	M & N	95½	July 24,'03	96½	95⅜	90,000
〃 Southw'n div. 1st g.3½s.	1925	41,990,000	J & J	87½	July 31,'03	88	87	228,000
〃 registered			Q J	90¼	July 16,'01	....	....	....
Monongahela River 1st g. g., 5's	1919	700,000	F & A	114¼	June 27,'02	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s,	1930	1,018,000	M & S	112	Nov.14,'99	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,427,000	M & S	115	July 29,'03	115	115	26,000
Alleghany & Wn. 1st g. gtd 4's.	1998	2,000,000	A & O	....	....	....	....	....
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	124¼	June 22,'03	....	....	....
〃 cons. 1st 6's,	1922	3,920,000	J & D	125⅜	Jan. 24,'03	....	....	....
Buff. & Susq. 1st refundg g. 4's	1951	3,021,000	J & J	103	June 16,'02	....	....	....
〃 registered			J & J	....	....	....	....	....
Burlington, Cedar R. & N. 1st 5's,	1906	6,500,000	J & D	102	July 17,'03	102	101¾	18,500
〃 con. 1st & col. tst 5's.	1934	11,000,000	A & O	120¼	May 8,'03	....	....	....
〃 registered			A & O	120½	Mar. 16,'03	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's.	1921	1,905,000	A & O	118	Jan. 27,'02	....	....	....
Minneap's & St. Louis 1st 7's, g,	1927	150,000	J & D	40	Aug. 24,'95	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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Name.	Principal Due	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	July Sales. High.	July Sales. Low.	July Sales. Total.
Canada Southern 1st int. gtd 5's,	1908	14,000,000	J & J	102½	July 31,'03	103	102	122,000
" 2d mortg. 5's,	1913	6,000,000	M & S	105½	July 28,'03	106	105½	18,000
" registered			M & S	104½	Mar. 30,'03	....	....	....
Central Branch U. Pac. 1st g. 4's.	1948	2,500,000	J & D	92	June 4,'03	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's,	1987	4,880,000	M & N	104½	July 7,'03	104½	104½	1,000
Central R'y of Georgia, 1st g. 5's.	1945	7,000,000	F & A	122½	Jan. 5,'03	....	....	....
" registered $1,000 & $5,000			F & A	....		....	....	....
" con. g. 5's	1945	16,700,600	M & N	103¾	July 31,'03	105	102½	192,000
" con. g. 5's, reg. $1,000 & $5,000			M & N	105½	Sept. 18,'01	....	....	....
" 1st. pref. inc. g. 5's,	1945	4,000,000	OCT 1	70	July 31,'03	73½	69½	124,000
" 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	27	July 30,'03	32⅝	25	492,000
" 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	19	July 27,'03	22	18	46,000
" Chat. div. pur. my. g. 4's.	1951	1,840,000	J & D	92	Aug. 21,'02	....	....	....
" Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	108¼	Sept. 3,'02	....	....	....
" Mid. Ga. & Atl. div. g 5s.	1947	413,000	J & J	102	June 29,'99	....	....	....
" Mobile div. 1st g. 5's	1946	1,000,000	J & J	103	July 2,'03	103	103	2,000
Central of New Jersey, gen. g. 5's	1987	45,091,000	J & J	127¼	July 31,'03	129⅛	126⅞	58,000
" registered			Q J	127	July 5,'03	127	127	5,000
Am. Dock & Improvm't Co. 5's,	1921	4,987,000	J & J	108¾	July 21,'03	108¾	108¼	13,000
Lehigh & H. R. gen. gtd g. 5's.	1920	1,062,000	J & J	....		....	....	....
Lehigh & W.-B. Coal con. 5's.	1912	2,691,000	Q M	100½	July 1,'03	100½	100½	2,000
" con. extended gtd. 4½'s.	1910	12,175,000	Q M	101⅝	July 30,'03	101⅝	100	27,000
N.Y. & Long Branch gen. g. 4's.	1941	1,500,000	M & S	....		....	....	....
Charleston & Sav. 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	110½	July 22,'03	110½	110½	5,000
" Mortgage gold 6's	1911	2,000,000	A & O	111	July 7,'03	111	111	4,000
" 1st con. g. 5's	1939	25,858,000	M & N	115	July 30,'03	115¾	114¾	69,000
" registered			M & N	115¾	July 9,'03	115¾	115¾	24,000
" Gen. m. g. 4½'s	1992	34,834,000	M & S	102¼	July 31,'03	104	100½	241,000
" registered			M & S	103	Apr. 18,'01	....	....	....
" Craig Val. 1st g. 5's	1940	650,000	J & J	112	May 14,'03	....	....	....
" (R. & A. d.) 1st c. g. 4's,	1989	6,000,000	J & J	98½	July 29,'03	98½	98	14,000
" 2d con. g. 4's	1989	1,000,000	J & J	97½	June 22,'03	....	....	....
" Warm S. Val. 1st g. 5's,	1941	400,000	M & S	106½	Oct. 29,'02	....	....	....
Greenbrier Ry. 1st gtd. 4's	1940	2,000,000	M & N	....		....	....	....
Chic. & Alton R. R. ref. g. 3's	1949	29,696,000	A & O	81	July 31,'03	81	80¼	88,000
" " registered			A & O	....		....	....	....
Chic. & Alton Ry 1st lien g. 3½'s.	1950	22,000,000	J & J	72½	July 31,'03	74¾	71	108,000
" registered			J & J	83¾	Apr. 16,'02	....	....	....
Chicago, Burl. & Quincy:								
" Chic. & Iowa div. 5's	1905	2,320,000	F & A	104¾	Apr. 11,'19	....	....	....
" Denver div. 4's	1922	5,077,000	F & A	101	July 16,'03	101	100½	4,000
" Illinois div. 3½s	1949	41,000,000	J & J	89¾	July 28,'03	93	89¾	9,000
" registered			J & J	....		....	....	....
" (Iowa div.) sink. f'd 5's,	1919	2,505,000	A & O	114⅝	Aug. 6,'03	....	....	....
" 4's	1919	8,222,000	A & O	101½	June 24,'02	....	....	....
" Nebraska extensi'n 4's,	1927	25,627,000	M & N	104	July 20,'03	104½	103¾	12,000
" registered			M & N	112¾	Apr. 17,'01	....	....	....
" Southwestern div. 4's.	1921	2,750,000	M & S	100	July 20,'03	100½	100	21,000
" 4's joint bonds	1921	215,181,000	J & J	89¼	July 31,'03	92½	88	2,038,000
" " registered			Q JAN	91	July 1,'03	91	91	2,000
" 5's, debentures	1913	9,000,000	M & N	105	July 8,'03	105	105	5,000
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	114	July 10,'03	114	114	1,000
Chicago & E. Ill. 1st s. f'd c'y. 6's.	1907	2,989,000	J & D	105	July 24,'03	105	105	3,000
" small bonds			J & D	112	Apr. 2,'96	....	....	....
" 1st con. 6's, gold	1934	2,653,000	A & O	128	July 31,'03	128	128	1,000
" gen. con. 1st 5's	1937	14,020,000	M & N	113½	July 29,'03	114½	113½	57,000
" registered			M & N	119½	Apr. 13,'03	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	120⅝	Feb. 5,'03	....	....	....
Chicago, Indianapolis & Louisville.								
" refunding g. 6's	1947	4,700,000	J & J	124½	July 29,'03	126	124½	6,000
" ref. g. 5's	1947	4,142,000	J & J	108	July 24,'03	108½	108	16,000
Louisv. N. Alb. & Chic. 1st 6's.	1910	3,000,000	J & J	107⅝	July 24,'03	107⅝	107⅝	3,000

BOND QUOTATIONS.—Last sale, price and date; highes and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st paid.	Last Sale. Price.	Last Sale. Date.	July Sales. High.	July Sales. Low.	July Sales. Total.
Chicago, Milwaukee & St. Paul.								
Chicago Mil. & St. Paul con. 7's	1905	1,860,000	J & J	170	July 2,'03	170	170	1,000
• terminal g. 5's	1914	4,748,000	J & J	110½	June22,'03	....	....	....
• gen. g. 4's, series A	1989	23,676,000	J & J	106½	July 28,'03	107	106½	3,000
• registered		....	Q J	111	Dec. 8,'02	....	....	....
• gen. g. 3½'s, series B	1989	2,500,000	J & J	104¾	Jan. 29,'02	....	....	....
• registered			J & J	....	....	....	....	....
• Chic. & Lake Sup. 5's	1921	1,360,000	J & J	116½	Apr. 29,'03	....	....	....
• Chic. & M. R. div. 5's	1926	3,083,000	J & J	114	July 24,'03	114	113¾	9,000
• Chic. & Pac. div. 6's	1910	3,000,000	J & J	111	July 15,'03	111	111	2,000
• 1st Chic. & P. W. g. 5's	1921	25,340,000	J & J	113¾	July 14,'03	114¼	113¾	8,000
• Dakota & Gt. S. g. 5's	1916	2,856,000	J & J	109¼	July 21,'03	109⅜	109¼	4,000
• Far. & So. g. 6's assu	1924	1,250,000	J & J	137½	July 18,'98	....	....	....
• 1st H'st & Dk. div. 7's	1910	5,680,000	J & J	119½	May 15,'03	....	....	....
• 1st 5's	1910	990,000	J & J	107⅜	Aug. 28,'02	....	....	....
• 1st 7's, Iowa & D, ex	1908	1,059,000	J & J	183	Feb. 28,'03	....	....	....
• 1st 5's, La. C. & Dav	1919	2,500,000	J & J	115	May 4,'03	....	....	....
• Mineral Point div. 5's	1910	2,840,000	J & J	105¼	July 29,'03	105¼	105¼	3,000
• 1st So. Min. div. 6's	1910	7,432,000	J & J	110⅞	July 10,'03	110⅞	110⅞	7,000
• 1st 6's, Southw'n div.	1909	4,000,000	J & J	113½	June26,'03	....	....	....
• Wis. & Min. div. g. 5's	1921	4,755,000	J & J	112	July 29,'03	112½	112	4,000
• Mil. & N. 1st M. L. 6's	1910	2,155,000	J & D	113	May 20,'02	....	....	....
• 1st con. 6's	1913	5,092,000	J & D	116	July 20,'03	116	116	1,000
Chic. & Northwestern con. 7's	1915	12,832,000	Q F	130¼	July 17,'03	130½	130¼	2,000
• extension 4's	1886–1926	18,632,000	F A 15	104½	May 15,'03	....	....	....
• registered			F A 15	106⅜	Oct. 9,'02	....	....	....
• gen. g. 3½'s	1987	20,538,000	M & N	100	July 16,'03	100	100	1,000
• registered			Q F	103	Nov. 19,'98	....	....	....
• sinking fund 6's	1879–1929	5,753,000	A & O	112	May 12,'03	....	....	....
• registered			A & O	110⅛	May 4,'03	....	....	....
• sinking fund 5s'	1879–1929	6,837,000	A & O	108	July 6,'03	108½	108	5,000
• registered			A & O	106¾	Mar. 30,'03	....	....	....
• deben. 5's	1909	5,900,000	M & N	104½	July 23,'03	104½	103⅞	8,000
• registered			M & N	105½	Dec. 23,'02	....	....	....
• deben. 5's	1921	10,000,000	A & O	108	June10,'03	....	....	....
• registered			A & O	114	Oct. 23,'01	....	....	....
• sinking f'd deben. 5's	1933	9,800,000	M & N	116½	June16,'03	....	....	....
• registered			M & N	123	May 28,'01	....	....	....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's	1905	1,600,000	M & S	106	Nov. 5,'02	....	....	....
Northern Illinois 1st 5's	1910	1,500,000	M & S	108	Oct. 9,'02	....	....	....
Ottumwa C. F. & St. P. 1st 5's	1909	1,600,000	M & S	105⅝	May 2,'03	....	....	....
Winona & St. Peters 2d 7's	1907	1,592,000	M & N	115⅜	Apr. 30,'03	....	....	....
Mil., L. Shore & We'n 1st g. 6's	1921	5,000,000	M & N	127¼	July 20,'03	129⅛	127¼	7,000
• ext. & impt. s. f'd g. 5's	1929	4,148,000	F & A	118⅝	July 20,'03	118⅝	118⅝	3,000
• Ashland div. 1st g. 6's	1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
• Michigan div. 1st g. 6's	1924	1,281,000	J & J	138⅛	May 5,'03	....	....	....
• con. deb. 5's	1907	436,000	F & A	107½	Feb. 21,'01	....	....	....
• incomes	1911	500,000	M & N	114¼	Sept. 17,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup.	1917	12,500,000	J & J	127⅛	June 1,'03	....	....	
• registered	1917		J & J	120½	July 24,'03	120½	120½	10,000
• gen. g. 4's	1988	40,581,000	J & J	101½	July 29,'03	103⅝	99¾	683,000
• registered			J & J	107	Jan. 16,'03	....	....	....
• coll. trust serial 4's								
• series A	1903	1,473,000	M & N	....	....	....	....	....
• B	1904	1,473,000	M & N	99	Dec. 6,'02	....	....	....
• C	1905	1,473,000	M & N	100⅜	July 2,'02	....	....	....
• D	1906	1,473,000	M & N	....	....	....	....	....
• E	1907	1,473,000	M & N	....	....	....	....	....
• F	1908	1,473,000	M & N	....	....	....	....	....
• G	1909	1,473,000	M & N	....	....	....	....	....
• H	1910	1,473,000	M & N	99⅝	June30,'02	....	....	....
• I	1911	1,473,000	M & N	....	....	....	....	....
• J	1912	1,473,000	M & N	....	....	....	....	....
• K	1913	1,473,000	M & N	....	....	....	....	....
• L	1914	1,473,000	M & N	....	....	....	....	....
• M	1915	1,473,000	M & N	99½	July 10,'02	....	....	....
• N	1916	1,473,000	M & N	99⅜	June28,'02	....	....	....
• O	1917	1,473,000	M & N	....	....	....	....	....
• P	1918	1,473,000	M & N	....	....	....	....	....
Chic. Rock Is. & Pac. R.R. 4's	2002	69,557,000	M & N	78¾	July 31,'03	81	73½	1,542,000
• registered			M & N	88¼	Jan. 7,'03	....	....	....
• coll. trust g. 5's	1913	16,888,000	M & S	77½	July 31,'03	86	71½	1,589,000
Des Moines & Ft. Dodge 1st 4's	1905	1,200,000	J & J	97	May 18,'03	....	....	....
• 1st 2½'s	1905	1,200,000	J & J	93	Jan. 28,'03	....	....	....
• extension 4 s		672,000	J & J	94¾	Jan. 9,'03	....	....	....
Keokuk & Des M. 1st mor. 5's	1923	2,750,000	A & O	105½	July 24,'03	105½	105½	3,000
• small bond	1923	....	A & O	107	Oct. 1,'01	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	JULY SALES. High.	Low.	Total.
Chic., St.P., Minn.& Oma.con.6's	1930	14,611,000	J & D	132	July 28,'03	132	132	2,000
" con.6's reduced to 3½'s	1930	2,000,000	J & D	....	....	....	....	....
Chic., St. Paul & Minn. 1st 6's	1918	1,901,000	M & N	131¼	May 28,'03	....	....	....
North Wisconsin 1st mort. 6's	1930	701,000	J & J	137½	Sept.23,'02	....	....	....
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	124	July 18,03	124	124	3,000
Chic., Term. Trans. R. R. g. 4's	1947	13,635,000	J & J	74¼	July 31,'03	80	71½	41,000
Chic. & Wn. Ind. gen'l g. 6's	1932	9,773,000	Q M	111½	July 1,'03	111½	111½	1,000
Chic. & West Michigan R'y 5's	1921	5,753,000	J & D	109	Apr.28,'02	....	....	....
Choc., Oklahoma & Glf.gen.g. 5s	1919	5,500,000	J & J	109	Mar. 10,'03	....	....	....
" con. g. 5's	1952	5,062,000	M & N	....	....	....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's	1905	927,000	A & O	111½	Dec. 9,'01	....	....	....
" 2d g. 4½'s	1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's	1941	3,500,000	M & N	111¼	June23,'03	....	....	....
Clev., Cin., Chic.& St.L. gen.g. 4's	1993	17,657,000	J & D	96	July 31,'03	97¾	95	200,000
" do Cairo div. 1st g. 4's	1939	5,000,000	J & J	101½	Oct. 8,'02	....	....	....
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	98¼	May 5,'03	....	....	....
St. Louis div. 1st col. trust g. 4's	1990	9,750,000	M & N	101	July 30,'03	101	98	13,000
" registered				103	Oct. 10,'02	....	....	....
Sp'gfield & Col. div. 1st g. 4's	1940	1,035,000	M & S	102	Dec. 9,'02	....	....	....
White W. Val. div. 1st g. 4's	1940	650,000	J & J	95	May 12,'03	....	....	....
Cin., Ind., St. L. & Chic. 1st g. 4's	1936	7,685,000	Q F	104	June26,'03	....	....	....
" registered				95	Nov. 15,'94	....	....	....
" con. 6's	1920	668,000	M & N	107½	June 30,'93	....	....	....
Cin., S'dusky & Clev. con. 1st g. 5's	1928	2,571,000	J & J	114¼	June17,'03	....	....	....
Clev., C., C. & Ind. con. 7's	1914	3,991,000	J & D	120	July 28,'02	120	120	3,000
" sink. fund 7's	1914		J & D	119⅝	Nov. 19,'89	....	....	....
" gen. consol 6's	1934	3,205,000	J & J	131	June11,'03	....	....	....
" registered			J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's	1940	981,500	A & O	104½	Nov. 19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	94	July 29,'03	94½	94	19,000
" income 4's	1990	4,000,000	A	61	July 29,'03	65	58	80,000
Clev., Lorain & Wheel'g con. 1st 5's	1933	5,000,000	A & O	114	Dec. 19,'02	....	....	....
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	127½	Jan. 25,'02	....	....	....
" registered			Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's	1947	8,946,000	J & J	70	July 30,'03	72	70	14,000
Colorado & Southern 1st g. 4's	1929	18,650,000	F & A	86½	July 25,'03	89¼	86½	121,000
Conn., Passumpsic Riv's 1st g. 4's	1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's	1907	3,067,000	M & S	114	July 7,'03	114	113¾	3,000
Morris & Essex 1st m 7's	1914	5,000,000	M & N	130½	July 24,'03	130½	130	7,000
" 1st c. gtd 7's	1915	12,151,000	J & D	130½	July 7,'03	130½	130½	1,000
" registered			J & D	140	Oct. 26,'98	....	....	....
" 1st refund.gtd.g.3½'s	2000	7,090,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	127⅝	July 10,'03	127⅝	127⅝	2,000
" const. 5's	1923	5,000,000	F & A	115	June 2,'03	....	....	....
" terml. imp. 4's	1923	5,000,000	M & N	102¼	May 27,'03	....	....	....
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	109¾	June30,'03	....	....	....
Warren Rd. 1st rfdg.gtd g.3½'s	2000	905,000	F & A	102	Feb. 2,'03	....	....	....
Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's	1917	5,000,000	M & S	136½	July 29,'03	136½	136	20,000
" reg	1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	109	July 27,'03	109	109	2,000
" registered			A & O	122	June 6,'99	....	....	....
" 6's	1906	7,000,000	A & O	105¼	June10,'03	....	....	....
" registered			A & O	109½	Nov. 16,'01	....	....	....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	143¾	Nov. 10,'02	....	....	....
" 1st r 7's	1921		M & N	147¾	June18,'03	....	....	....
Denver & Rio G. 1st con. g. 4's	1936	33,450,000	J & J	98	July 30,'03	98	97¼	53,000
" con. g. 4½'s	1936	6,382,000	J & J	106⅝	May 22,'03	....	....	....
" impt. m. g. 5's	1928	8,103,500	J & D	108	May 27,'03	....	....	....
Denv. & Southern Ry g. s. fg. 5's	1929	4,923,000	J & D	62	June 9,'03	....	....	....
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	111	Feb. 28,'01	....	....	....
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	100½	July 22,'03	100½	100½	8,000
" g. 4s	1995	1,250,000	J & D	91	July 17,'03	91	91	1,000
Detroit Southern 1st g. 4's	1951	2,866,000	J & D	84	Jan. 8,'03	....	....	....
" Ohio South. div. 1st g. 4's	1941	4,281,000	M & S	89¾	May 14,'03	....	....	....
Duluth & Iron Range 1st 5's	1937	6,734,000	A & O	108⅛	July 28,'03	108⅛	108⅛	2,000
" registered			A & O	101½	July 23,'89	....	....	....
" 2d l m 6s	1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's	1937	4,000,000	J & J	115	June16,'03	....	....	....
Elgin Joliet & Eastern 1st g 5's	1941	8,500,000	M & N	115	July 27,'03	115	114½	[illegible]

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale Price.	Last Sale Date.	July Sales. High.	July Sales. Low.	July Sales. Total.
Erie 1st ext. g. 4's	1947	2,482,000	M & N	114	May 25,'03	....	....	....
" 2d extended g. 5's	1919	2,149,000	M & S	113¼	May 2,'03	....	....	....
" 3d extended g. 4½'s	1923	4,618,000	M & S	112	May 1,'02	....	....	....
" 4th extended g. 5's	1920	2,926,000	A & O	117	Dec. 19,'02	....	....	....
" 5th extended g. 4's	1928	709,500	J & D	101⅞	June26,'03	....	....	....
" 1st cons gold 7's	1920	16,890,000	M & S	134	July 13,'03	134⅞	134	10,000
" 1st cons. fund g. 7's	1920	3,699,500	M & S	132¼	Apr. 1,'03	....	....	....
Erie R.R. 1st con.g-4s prior bds.	1996	34,000,000	J&J	96½	July 31,'03	97¾	95¾	202,000
" registered			J&J	97	May 15,'03	....	....	....
" 1st con. gen. lien g. 4s.	1996	34,885,000	J&J	82½	July 30,'03	85	80½	628,000
" registered			J&J	....	....	....	....	....
" Penn. col. trust g. 4's.	1951	32,000,000	F & A	90⅞	July 31,'03	91⅛	89	78,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	125½	June17,'03	....	...	....
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	....	....	....	...	....
" small			J&J	....	....	....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	119	July 31,'03	119	118½	3,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	106	Aug. 5,'02	....	....	....
Long Dock consol. g. 6's	1935	7,500,000	A & O	134½	June30,'03	....	....	....
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	113¾	Dec. 17,'02	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	118½	Apr. 23,'02	....	....	....
N. Y. & Greenw'd Lake gt g 5's	1946	1,453,000	M&N	109	Oct. 27,'98	....	....	....
" small								
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	110½	June 9,'03	....	....	....
N.Y., Sus.&W. 1st refdg. g. 5's	1937	3,750,000	J & J	111½	July 13,'03	111½	111½	4,000
" 2d g. 4½'s	1937	453,000	F & A	101⅜	May 19,'03	....	....	....
" gen. g. 5's	1940	2,546,000	F & A	106½	May 26,'03	....	....	....
" term. 1st g. 5's	1943	2,900,000	M & N	108	May 1,'03	....	....	....
" registered......$5,000 each			M & N	....	....	....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	107½	July 9,'03	107½	107½	2,000
Evans. & Terre Haute 1st con. 6's.	1921	3,000,000	J & J	121	June23,'03	....	....	....
" 1st General g 5's	1942	2,223,000	A & O	104	June22,'03	....	....	....
" Mount Vernon 1st 6's	1923	375,000	A & O	112	June 2,'02	....	....	....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sept.15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	115	May 28,'02	....	....	....
Florida Cen. & Penins. 1st g 5's	1918	3,000,000	J & J	100	Sept. 6,'99	....	....	....
" 1st land grant ex. g 5's	1930	423,000	J & J	....	....	....	...	....
" 1st con. g 5's	1943	4,370,000	J & J	106½	Feb. 26,'02	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s.	1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D. C. ctfs.dep.1st 6's	1921	8,176,000	......	104½	July 31,'03	106½	104	72,000
Ft. Worth & Rio Grande 1st g 5's.	1928	2,863,000	J & J	81½	June25,'03	....	....	....
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	103	Apr. 20,'03	....	....	....
Geo. & Ala. 1st con. g 5s	1945	2,922,000	J & J	109¾	May 11,'03	....	....	....
Ga. Car. & N. Ry. 1st gtd. g. 5's	1927	5,360,000	J & J	107	July 28,'03	107	107	2,000
Gulf & Ship Isl. 1st refg. & ter. 5's	1952	2,931,000	J & J	103	July 1,'03	103	103	10,000
" registered			J & J	....	....	....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	12,157,000	J & J	104	July 29,'03	105	104	47,000
" registered			J & J	....	....	....	....	....
Col. Hock's Val. 1st ext. g. 4's.	1848	1,401,000	A & O	100	June20,'03	....	....	....
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	112¼	May 28,'03	....	....	....
" registered			J&J	113½	Mar. 12,19'	....	....	....
" 1st gold 3½'s	1951	2,499,000	J&J	102	May 21,'03	....	....	....
" registered			J&J	94	Mar. 28,'03	....	....	....
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92½	July 13,'96	....	....	....
" registered			M & S	....	....	....	....	....
" total outstg....$13,950,000						....	....	....
" collat. trust gold 4's	1952	15,000,000	A & O	104	July 31,'03	104	104	4,000
" regist'd			A & O	102	Oct. 4,'01	....	....	....
" col.t.g.4sL.N.O.&Tex.	1953	24,679,000	M & N	103	July 31,'03	103	101½	4,000
" registered			M & N	104⅝	May 20,'02	....	....	....
" Cairo Bridge g 4's	1950	3,000,000	J & D	106½	Mar. 7,'03	....	....	....
" registered			J & D	123	May 24,'99	....	....	....
" Louisville div. g. 3½'s.	1953	14,320,000	J & J	92¼	July 3,'03	92¼	92¼	1,000
" registered			J & J	88½	Dec. 8,'99	....	....	....
" Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
" St. Louis div. g. 3's	1951	4,939,000	J & J	87½	May 24,'02	....	....	....
" registered			J & J	101¼	Jan. 31,19'	....	....	....
" g. 3½'s	1951	6,321,000	J & J	97	June10,'03	....	....	....
" registered			J & J	101½	Sept. 10,'95	....	....	....
" Sp'gfield div 1st g 3½'s,	1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
" registered			J & J	124	Dec. 11,'99	....	....	....
" West'n Line 1st g. 4's,	1951	5,425,000	F & A	107⅜	May 27,'03	....	....	....
" registered			F & A	101½	Jan. 31,'91	....	....	....
Belleville & Carodt 1st 6's	1923	470,000	J & D	124	May 16,'03	....	....	....

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NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	JULY SALES. High.	JULY SALES. Low.	JULY SALES. Total.
Carbond'e & Shawt'n 1st g. 4's	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,555,000	J D 15	125⅛	Jan. 12,'03	....	....	....
" gold 5's, registered			J D 15	126¼	Nov. 18,'01	....	....	....
" g. 3½'s	1951	1,352,000	J D 15	104⅝	Apr. 11,'02	....	....	....
" registered			J D 15	106¼	Aug. 17,'99	....	....	....
" Memph. div. 1st g. 4's	1951	3,500,000	J & D	106⅛	Jan. 28,'03	....	....	....
" registered			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's	1931	538,000	M & S	101	Mar. 3,'02	....	....	....
Ind., Dec. & West. 1st g. 5's	1935	1,824,000	J & J	107½	Mar. 28,'03	....	....	....
" 1st gtd. g. 5's	1935	933,000	J & J	107½	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's	1950	4,850,000	J & J	98½	July 31,'03	98½	98½	1,000
Internat. & Gt. N'n 1st. 6's, gold	1919	10,742,000	M & N	119¼	July 17,'03	119¼	119¼	1,000
" 2d g. 5's	1909	9,842,000	M & S	96	July 27,'03	96½	96	10,000
" 3d g. 4's	1921	2,730,000	M & S	74¼	Feb. 20,'03	....	....	....
Iowa Central 1st gold 5's	1938	7,650,000	J & D	108½	July 28,'03	110¾	108½	6,000
" refunding g. 4's	1951	2,000,000	M & S	92	June 11,'03	....	....	....
Kansas C. & M. R. & B. Co. 1st gtd g. 5's	1929	3,000,000	A & O	....	....	....	....	....
Kansas City Southern 1st g. 3's	1950	30,000,000	A & O	66¾	July 30,'03	68⅞	66	201,000
" registered			A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	117½	June 4,'03	....	....	....
" 2d mtge. g. 5's	1941	3,625,000	J & J	109	July 28,'03	109	109	4,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	111	June 29,'03	....	....	....
Lehigh Val. (Pa.) coll. g. 5's	1997	8,000,000	M & N	110	Feb. 3,'02	....	....	....
" registered			M & N	....	....	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s	1940	15,000,000	J&J	108½	June 17,'03	....	....	....
" registered		....	J&J	109½	June 18,'02	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's	1941	10,000,000	A & O	113⅝	June 1,'03	....	....	....
" registered			A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's	1933	10,280,000	J & J	108½	Sept. 8,'01	....	....	....
" registered	1933		J & J	....	....	....	....	....
Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	95	June 17,'03	....	....	....
" registered			M&S	....	....	....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....	....	....	....	....
" " g. gtd 5's	1914	1,250,000	A & O	100	Mar. 25,'99	....	....	....
Long Island 1st cons. 5's	1931	3,610,000	Q J	118	Jan. 22,'03	....	....	....
" 1st con. g. 4's	1931	1,121,000	Q J	101	Nov. 22,'99	....	....	....
Long Island gen. m. 4's	1938	3,000,000	J & D	100	July 13,'03	100¼	100	2,000
" Ferry 1st g. 4½'s	1922	1,500,000	M & S	100½	June 12,'03	....	....	....
" g. 4's	1932	325,000	J & D	102½	May 5,'97	....	....	....
" unified g. 4's	1949	6,860,000	M & S	99⅞	July 15,'03	100½	99⅞	3,000
" deb. g. 5's	1934	1,135,000	J & D	111	Jan. 22,'02	....	....	....
Brooklyn & Montauk 1st 6's	1911	250,000	M & S	....	....	....	....	....
" 1st 5's	1911	750,000	M & S	105¼	Mar. 3,'03	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's	1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's	1927	883,000	M & S	112½	Jan. 10,'02	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's	1932	1,425,000	QJAN	112½	Apr. 9,'02	....	....	....
Louis. & Nash. gen. g. 6's	1930	8,584,000	J & D	115½	July 28,'03	115½	115½	3,000
" gold 5's	1937	1,764,000	M & N	112	June 15,'03	....	....	....
" Unified gold 4's	1940	29,677,000	J & J	98⅝	July 31,'03	99⅜	98½	129,000
" registered	1940		J & J	83	Feb. 27,'93	....	....	....
" collateral trust g. 5's	1931	5,129,000	M & N	112¼	July 24,'03	112¼	111¾	7,000
" E., Hend. & N. 1st 6's	1919	1,785,000	J & D	114½	May 19,'03	....	....	....
" L. Cin. & Lex. g. 4½'s	1931	3,258,000	M & N	108¼	Jan. 30,'03	....	....	....
" N. O. & Mobile 1st g. 6's	1930	5,000,000	J & J	126	May 18,'03	....	....	....
" 2d g. 6's	1930	1,000,000	J & J	124⅝	Apr. 16,'02	....	....	....
" Pensacola div. g. 6's	1920	580,000	M & S	116⅜	Mar. 22,'02	....	....	....
" St. Louis div. 1st g. 6's	1921	3,500,000	M & S	125½	Aug. 12,'02	....	....	....
" 2d g. 3's	1980	3,000,000	M & S	75	June 20,'02	....	....	....
" H. B'ge 1st sk'fd. g 6's	1931	1,621,000	M & S	....	....	....	....	....
" Ken. Cent. g. 4's	1987	6,742,000	J & J	97½	June 23,'03	....	....	....
" L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	107½	June 2,'02	....	....	....
" South. Mon. joint 4's	1952	11,788,000	J & J	86¾	July 28,'03	90	85½	100,000
" registered			Q Jan	....	....	....	....	....
" N. Fla. & S. 1st g. g. 5's	1937	2,096,000	F & A	113	July 27,'03	113	113	1,000
" Pen. & At. 1st g. g. 6's	1921	2,550,000	F & A	113	July 27,'03	113	113	3,000
" S. & N. A. con. gtd. g. 5's	1936	3,673,000	F & A	115	Dec. 5,'01	....	....	....
" So. & N. Ala. si'fd. g. 6s	1910	1,942,000	A & O	110	Mar. 23,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's	1945	3,000,000	M & S	100	Mar. 19,'01	....	....	....
Manhattan Railway Con. 4's	1990	28,065,000	A & O	100½	July 31,'03	101¾	100	341,000
" registered			A & O	103⅞	Dec. 17,'02	....	....	....

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JULY SALES. *High.*	JULY SALES. *Low.*	JULY SALES. *Total.*
Metropolitan Elevated 1st 6's....1908	10,818,000	J & J	109	July 29,'03	109	108½	23,000
Manitoba Swn. Coloniza'n g. 5's, 1934	2,544,000	J & D	....	....	....	....	....
Mexican Central.							
" con. mtge. 4's...........1911	65,643,000	J & J	72	July 30,'03	77¼	65	184,000
" 1st con. inc. 3's..........1939	20,511,000	JULY	17	July 30,'03	23	12½	2,470,000
" 2d 3's....................1939	11,724,000	JULY	9⅞	July 31,'03	15	8	509,000
" equip. & collat. g. 5's....1917	650,000	A & O	....	....	....	....	....
" 2d series g. 5's...........1919	765,000	A & O	....	....	....	....	....
" col.trust g.4½'s1st se of1907	10,000,000	F & A	95½	July 30,'03	96½	94	127,000
Mexican Internat'l 1st con g. 4's,1977	3,362,000	M & S	90⅝	July 29,'01	....	....	....
" stamped gtd................	3,621,000	......	....	....	....	....	....
Mexican Northern 1st g. 6's.....1910	1,061,000	J & D	....	....	....	....	....
" registered..................		J & D	105	May 2,19'	....	....	....
Minneapolis & St. Louis 1st g. 7's.1927	950,000	J & D	144½	Apr. 7,'03	....	....	....
" Iowa ext. 1st g. 7's......1909	1,015,000	J & D	116¾	Feb. 24,'03	....	....	....
" Pacific ext. 1st g. 6's....1921	1,382,000	J & A	123½	Apr. 29,'03	....	....	....
" Southw. ext. 1st g. 7's...1910	636,000	J & D	121	Jan. 21,'02	....	....	....
" 1st con. g. 5's............1934	5,000,000	M & N	113	July 21,'03	113	112½	2,000
" 1st & refunding g. 4's...1949	7,600,000	M & S	98	July 29,'03	100	98	25,000
Minneapolis & Pacific 1st m. 5's..1936	3,208,000	J & J	102	Mar. 26,'87	....	....	....
" stamped 4's pay. of int. gtd.			....	....	....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's.1926	8,280,000	J & J	103	Nov. 11,'01	....	....	....
" stamped pay. of int. gtd.			89¾	June 18,'91	....	....	....
Minn., S. P. & S. S. M., 1st c. g. 4's.1938	21,949,000	J & J	98	Apr. 3,'01	....	....	....
" stamped pay. of int. gtd.			....	....	....	....	....
Missouri, K. & T. 1st mtge g. 4's.1990	40,000,000	J & D	96¼	July 30,'03	97⅛	95	208,500
" 2d mtge. g. 4's.........1990	20,000,000	F & A	80	July 29,'03	81	77	270,000
" 1st ext gold 5's.. 1944	2,868,000	M & N	100⅞	June 30,'03	....	....	....
St. Louis div. 1st refundg 4s...2001	1,852,000	A & O	86	Oct. 16,'02	....	....	....
Dallas & Waco 1st gtd. g. 5's....1940	1,340,000	M & N	106¼	Sept. 20,'02	....	....	....
Mo. K.&T. of Tex 1st gtd. g. 5's.1942	3,907,000	M & S	99	July 29,'03	101¼	97	24,000
Sher. Shrevept & So 1st gtd. g. 5's 1943	1,689,000	J & D	105½	July 28,'02	....	....	....
Kan. City & Pacific 1st g. 4's...1990	2,500,000	F & A	90	May 14,'03	....	....	....
Mo. Kan. & East'n 1st gtd. g. 5's.1942	4,000,000	A & O	109	July 24,'03	109	109	6,000
Missouri, Pacific 1st con. g. 6's...1920	14,904,000	M & N	118	July 30,'03	118½	118	37,000
" 3d mortgage 7's.......1906	3,828,000	M & N	107½	July 3,'03	107½	107½	1,000
" trusts gold 5's stamp'd 1917	14,376,000	M & S	104	July 31,'03	104¾	103½	71,000
" registered..................		M & S	....	....	....	....	....
" 1st collateral gold 5's.1920	9,636,000	F & A	104½	July 31,'03	104½	104	50,000
" registered..................		F & A	....	....	....	....	....
Cent. Branch Ry. 1st gtg. g. 4's.1919	3,459,000	F & A	92	July 14,'03	92	90¾	2,000
Leroy & Caney Val. A. L. 1st 5's.1926	520,000	J & J	100	May 1,'01	....	....	....
Pacific R. of Mo. 1st m. ex. 4's.1938	7,000,000	M & S	103½	July 21,'03	104	103½	14,000
" 2d extended g. 5's.....1938	2,573,000	F & A	112	Apr. 13,'03	....	....	....
St. L. & I. g. con. R.R.&l.gr. 5's 1931	36,258,000	A & O	111	July 31,'03	112	110	234,000
" stamped gtd gold 5's..1931	6,945,000	A & O	111	July 13,'03	111	111	3,000
" unify'g & rfd'g g. 4's.1929	25,726,000	J & J	85¼	July 31,'03	87	84	108,000
" registered..................		J & J	....	....	....	....	....
Verdigris V'y Ind. & W. 1st 5's.1926	750,000	M & S	....	....	....	....	....
Mob. & Birm., prior lien, g. 5's...1945	374,000	J & J	109	Aug. 31,19'	....	....	....
" small........................	226,000	J & J	90	Feb. 4,'03	....	....	....
" mtg. g. 4's...............1945	700,000	J & J	93	Apr. 25,'02	....	....	....
" small........................	500,000	......	....	....	....	....	....
Mob. Jackson & Kan. City 1st g. 5's.1946	1,000,000	J & D	102	July 25,'02	....	....	....
Mobile & Ohio new mort. g. 6's..1927	7,000,000	J & J	122	July 31,'03	122	122	3,000
" 1st extension 6's......1927	974,000	J & D	124¾	Apr. 28,'03	....	....	....
" gen. g. 4's.............1938	9,472,000	Q J	91¾	July 14,'03	91¾	91¾	1,000
" Montg'ry div. 1st g. 5's.1947	4,000,000	F & A	114	Mar. 30,'03	....	....	....
St. Louis & Cairo gtd g. 4's.....1931	4,000,000	M & S	93	Feb. 3,'03	....	....	....
" collateral g. 4's........1330	2,494,000	Q F	96½	Nov. 30,'01	....	....	....
Nashville, Chat. & St. L. 1st 7's...1913	6,300,000	J & J	124	June 24,'03	....	....	....
" 1st cons. g. 5's...........1928	7,412,000	A & O	112½	July 21,'03	112½	112½	8,000
" 1st g. 6's Jasper Branch.1923	371,000	J & J	123	Mar. 28,'01	....	....	....
" 1st 6's McM. M.W. & Al.1917	750,000	J & J	116	July 31,'02	....	....	....
" 1st 6's T. & Pb...........1917	300,000	J & J	110	Dec. 20,'99	....	...	....
Nat. R.R. of Mex. prior lien g. 4½'s.1926	20,000,000	J & J	98½	July 30,'03	100¼	98	152,000
" 1st con. g. 4's............1951	22,000,000	A & O	76½	July 29,'03	78¾	76	117,000
N. O. & N. East. prior lien g. 6's..1915	1,320,000	A & O	108½	Aug. 13,'94	....	....	....

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N.Y. Cent. & Hud. R. g. mtg. 3½s.1997	65,261,000	J & J	95½	July 31,'03	100	95	718,000
" " registered......		J & J	100	June 29,'03	....	....	....
" debenture 5's.....1884-1904	4,480,000	M & S	101⅝	July 29,'03	101⅝	101½	5,000
debenture 5's reg..........		M & S	100½	June 26,'03	....	....	....
" reg. deben. 5's....1889-1904	639,000	M & S	103⅛	Apr. 30,'01	....	....	....
" debenture g. 4's..1890-1905	5,094,000	J & D	99¾	June 1,'03	....	....	....
" registered.................		J & D	99	Dec. 12,'02	....	....	....
" deb. cert. ext. g. 4's...1905	3,581,000	M & N	100⅝	Apr. 28,'03	....	....	....
" registered.................		M & N	99½	Nov. 8,'02	....	....	....
Lake Shore col. g. 3½s..........1998	90,578,000	F & A	91	July 31,'03	91	87	297,000
" registered.................		F & A	87½	July 20,'03	88¾	87½	51,000
Michigan Central col. g. 3½s..1998	19,336,000	F & A	88	July 30,'03	89	87	13,000
" registered.................		F & A	91	Jan. 17,'03	....	....	....
Beech Creek 1st. gtd. 4's........1936	5,000,000	J & J	108½	June 9,'03	....	....	....
" registered		J & J	106	June 17,'98	....	....	....
" 2d gtd. g. 5's...........1936	500,000	J & J	....	....	....	....	....
" registered	....	J & J	....	....	....	....	....
" ext. 1st. gtd. g. 3½'s..1951	4,500,000	A & O	....	....	....	....	....
" registered.................		A & O	....	....	....	....	....
Carthage & Adiron. 1st gtd g. 4's 1981	1,100,000	J & D	....	....	....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A. 1940	770,000	J & J	95	Apr. 3,'02	....	....	....
" small bonds series B......	33,100	J & J	....	....	....	....	....
Gouv. & Oswega. 1st gtd g. 5's.1942	300,000	J & D	....	....	....	....	....
Mohawk & Malone 1st gtd g. 4's.1991	2,500,000	M & S	107½	July 6,19'	....	....	....
" inc. 5's.................1992	3,900,000	Sept.	110¼	Dec. 6,'01	....	....	....
N. Jersey Junc. R. R. g. 1st 4's.1986	1,650,000	F & A	105	Oct. 10,'02	....	....	....
" reg. certificates...........		F & A	....	....	....	....	....
N.Y. & Putnam 1st con. gtd g. 4's.1993	4,000,000	A & O	105½	Nov. 15,'96	....	....	....
Nor. & Montreal 1st g. gtd 5's..1916	130,000	A & O	....	....	....	....	....
West Shore 1st guaranteed 4's.2361	50,000,000	J & J	107½	July 31,'03	108⅜	107	151,000
" registered.................		J & J	106½	July 30,'03	107⅛	106	47,500
Lake Shore con. 2d 7's..........1903	6,312,000	J&D	101½	July 31,'03	101½	101½	2,000
" con. 2d registered....1903		J&D	101	June 18,'03	....	....	....
" g 3½s.................1997	43,820,000	J & D	98	July 31,'03	101	98	32,000
" registered.................		J & D	105	Jan. 6,'03	....	....	....
Detroit, Mon. & Toledo 1st 7's.1906	924,000	F & A	114	Feb. 6,'02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's...1938	840,000	J & J	....	....	....	....	....
Mahoning Coal R. R. 1st 5's....1934	1,500,000	J & J	124	Jan. 5,'03	....	....	....
Pitt McK'port & Y. 1st gtd 6's..1932	2,250,000	J & J	139	Jan. 21,'03	....	....	....
" 2d gtd 6's............1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's.. 1918	600,000	J & J	....	....	....	....	....
Michigan Cent. 6's..............1909	1,500,000	M & S	112	May 13,'03	....	....	....
" 5's.....................1931	3,576,000	M & S	123½	Mar. 13,'03	....	....	....
" 5's reg.................1931		Q M	127	June 19,'02	....	....	....
" 4's.....................1940	2,600,000	J & J	110	Dec. 7,'01	....	....	....
" 4's reg....................		J & J	106½	Nov. 26,19'	....	....	....
" g. 3½'s sec. by 1st mge. on J. L. & S............	2,000,000	M & S	....	....	....	....	....
" 1st g. 3½'s............1952	10,000,000	M & N	....	....	....	....	....
Battle C. Sturgis 1st g. g. 3's...1989	476,000	J & D	....	....	....	....	....
N. Y. & Harlem 1st mort. 7's c..1900	12,000,000	M & N	102¾	Mar. 13,19'	....	....	....
" 7's registered..........1900		M & N	102¾	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's.....1927	1,200,000	A & O	119½	Dec. 3,'02	....	....	....
R. W. & Og. con. 1st ext. 5's...1922	2,081,000	A & O	117	July 20,'03	118	117	3,000
coup. g. bond currency..........		A & O	....	....	....	....	....
Oswego & Rome 2d gtd gold 5's.1915	400,000	F & A	113¾	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's.1918	375,000	M & N	....	....	....	....	....
Utica & Black River gtd g. 4's..1922	1,800,000	J & J	107⅜	Feb. 2,'03	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's...1937	19,425,000	A & O	102	July 31,'03	102¾	101	91,000
" registered...................		A & O	103	May 14,'03	....	....	....
N. Y., N. Haven & Hartford.							
Housatonic R. con. g. 5's.......1937	2,838,000	M & N	131¾	Apr, 29,'03	....	....	....
New Haven and Derby con. 5's 1918	575 000	M & N	115½	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's....1905	6,000,000	J & J	106¼	May 14,'03	....	....	....
" 1st 6's..................1905	4,000,000	J & J	105	May 12,'03	....	....	....
N.Y., Ont. & W'n. ref'ding 1st g. 4's.1992	16,937,000	M & S	100	July 30,'03	101½	90	62,000
" registered.......$5,000 only.	....	M & S	101	May 15,'03	....	....	....
Norfolk & Southern 1st g. 5's....1941	1,380,000	M & N	114	Feb. 4,'03	....	....	....
Norfolk & Western gen. mtg. 6's.1931	7,283,000	M & N	133½	Apr. 25,'03	....	....	....
" imp'ment and ext. 6's...1934	5,000,000	F & A	128	Apr. 1,'03	....	....	....
" New River 1st 6's........1932	2,000,000	A & O	132¼	Jan. 16,'03	....	....	....

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Norfolk & West. Ry 1st con. g. 4s.	1996		A & O	97½	July 31,'03	98½	96	355,500
" registered		36,210,500	A & O	100½	Jan. 13,'02	....	....	....
" small bonds			A & O	....		....	....	....
" Pocahon C.&C.Co.jt.4's.	1941	20,000,000	J & D	88	July 31,'03	90	87½	96,000
C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	107½	July 1,'01	....	....	....
" Sci'o Val & N.E.1st g.4's,	1989	5,000,000	J & N	97	July 31,'03	98⅛	97	19,000
N. P. Ry prior ln ry.&ld.gt.g.4's.	1997	100,392,500	Q J	100	July 31,'03	101⅝	99⅝	855,000
" registered			Q J	100	July 31,'03	101½	100	3,000
" gen. lien g. 3's	2047	56,000,000	Q F	71¼	July 31,'03	72	71	361,500
" registered			Q F	70½	Mar. 9,'03	....	....	....
St. Paul & Duluth div. g. 4's	1996	9,215,000	J & D	101	June16,'02	....	....	....
" registered			J & D	....		....	....	....
St. Paul & N. Pacific gen g. 6's.	1923	7,985,000	F & A	125	Apr. 21,'03	....	...	....
" registered certificates			Q F	132	July 28,'98	....	....	....
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	112¼	July 21, 03	112¼	112¼	5,000
" 2d 5's	1917	2,000,000	A & O	110	Oct. 6,'02	....	....	....
" 1st con. g. 4's	1968	1,000,000	J & D	96½	Mar. 3,'03	....	....	....
Washington Cen. Ry 1st g. 4's.	1948	1,538,000	QMCH	94½	Feb. 19,'01	....	....	....
Nor. Pacific Term. Co. 1st g. 6's.	1933	3,692,000	J & J	110	July 30,'03	113½	110	4,000
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	114½	May 4,'02	....	....	....
" gen. mortg. g 6's	1937	2,428,000	A & O	108½	July 9,02'	....	....	....
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	101	July 29,'03	104¼	101	6,000
Panama 1st sink fund g. 4½'s	1917	2,386,000	A & O	102	Apr. 21,'03	....	....	....
" s. f. subsidy g 6's	1910	1,049,000	M & N	102	Apr. 14,'02	....	....	....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	107¾	July 1,'03	107¾	107¾	7,000
" reg	1921		J & J	106	Mar. 26,'03	....	....	....
" gtd.3½ col.tr.reg. cts.	1937	5,000,000	M & S	96½	Dec. 11,'02	....	....	....
" gtd.3½ col.tr.cts.serB	1941	10,000,000	F & A	96	Mar. 19,'03	....	....	....
" Trust Co. ctfs. g. 3½'s.	1916	18,666,000	M & N	95	July 16,'03	96	95	71,000
Chic., St. Louis & P. 1st c. 5's.	1932	1,506,000	A & O	122¼	Feb. 9,'03	....	....	....
" registered		......	A & O	110	May 3,'92	....	....	....
Cin., Leb. & N. 1st con.gtd.g.4's.	1942	1,063,000	J & J	....		....	....	....
Clev.&P.gen.gtd.g.4½'s Ser. A.	1942	3,000,000	J & J	121	Oct. 22,19'	....	....	....
" Series B	1942	1,561,000	A & O	....		....	....	....
" " int. reduc. 3½ p.c.		439,000	......	....		....	....	....
" Series C 3½s	1948	3,000,000	M & N	....		....	....	....
" Series D 3½s	1950	1,933,000	F & A	....		....	....	....
E.&Pitts. gen.gtd.g.3½s Ser. B.	1940	2,250,000	J & J	102	Nov. 7,19'	....	....	....
" " " C.	1940	1,508,000	J & J	....		....	....	....
Newp. & Cin. Bge Co. gtd g. 4's.	1945	1,400,000	J & J	....		....	....	....
Pitts., C. C. & St. L. con. g 4½'s.								
" Series A	1940	10,000,000	A & O	110¼	June 3,'03	....	....	....
" Series B gtd	1942	8,786,000	A & O	110⅜	June18,'03	....	....	....
" Series C gtd	1942	1,379,000	M & N	116½	Feb. 14,'01	....	....	....
" Series D gtd. 4's	1945	4,983,000	M & N	106¼	Nov. 19,'02	....	....	....
" Series E gtd. g. 3½s	1949	10,840,000	F & A	96	Jan. 13,'03	....	....	....
Pitts., Ft. Wayne & C. 1st 7's.	1912	2,407,000	J & J	127⅝	Oct. 21,'02	....	....	....
" 2d 7's	1912	2,047,500	J & J	128	Jan. 26,'03	....	....	....
" 3d 7's	1912	2,000,000	A & O	120	Mar. 16,'03	....	....	....
Tol Walhonding Vy.&O. 1st gtd. bds								
4½'s series A	1931	1,500,000	J & J	....		....	....	....
" 4½'s series B	1933	978,000	J & J	....		....	....	....
" 4's series C	1942	1,492,000	M & S	....		....	....	....
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	M & N	104	Apr. 6,'03	....	...	....
con. sterling gold 6 per cent	1905	22,762,000	J & J	....		....	....	....
con. currency, 6's registered	1905	4,718,000	Q M 15	....		....	....	....
con. gold 5 per cent	1919	4,998,000	M & S	....		....	....	....
" registered			Q M	....		....	....	....
con. gold 4 per cent	1943	3,000,000	M & N	....		....	....	....
" ten year conv. 3½'s.	1912	20,713,000	M & N	95¼	July 31,'03	96½	94	823,000
Allegh. Valley gen. gtd. g. 4's	1942	5,389,000	M & S	110	Aug. 28,19'	....	....	....
Belvedere Del. con. gtd. 3½'s.	1943	1,000,000	J & J	....		....	....	....
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	112¾	Mar. 7,19'	....	....	....
Del.R. RR.& BgeCo 1stgtdg.4's,	1936	1,300,000	F & A	....		....	....	....
G.R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	106	July 30,'03	106	104½	10,000
Sunbury & Lewistown 1stg.4's.	1936	500,000	J & J	....		....	....	....
U'd N.J. RR. & Can Co. g 4's	1944	5,646,000	M & S	117	May 1,19'	....	....	....
Peoria & Pekin Union 1st 6's	1921	1,495,000	Q F	124½	Apr. 18,'03	....	....	....
" 2d m 4½'s	1921	1,499,000	M & N	95	June16,'03	....	....	....
Pere Marquette.								
Flint & Pere Marquette g. 6's.	1920	3,999,000	A & O	116	July 29,'03	118⅛	116	6,000
" 1st con. gold 5's	1939	2,850,000	M & N	107	July 28,'03	107	107	1,000
" Port Huron d 1st g 5's.	1939	3,325,000	A & O	108	July 31,'03	109⅛	108	4,000
Sag'w Tusc. & Hur. 1st gtd.g.4's.	1931	1,000,000	F & A	....		....	....	....
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93	....	....	....
Pittsburg, Clev. & Toledo 1st 6's.	1922	2,400,000	A & O	107½	Oct. 26,'93	....	....	....

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Pittsburg, Junction 1st 6's	1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A,	1928	2,000,000	A & O	112½	Dec. 13,'98	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's,	1940	3,000,000	A & O	117¼	July 7,'03	117¼	117¼	2,000
" 1st cons. 5's	1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg & West'n 1st gold 4's,	1917	1,589,000	J & J	100½	Mar. 25,'03	....	....	....
" J. P. M. & Co., ctfs.,	....	8,111,000	......	100¼	Feb. 13,'03	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's,	1927	1,562,000	M & N	120½	Dec. 8,'02	....	....	....
Reading Co. gen. g. 4's	1997	64,526,000	J & J	94½	July 31,'03	96¾	93¾	787,000
" registered			J & J	96½	July 2,'03	96½	96½	5,000
" Jersey Cent. col. g. 4's	1957	23,000,000	......	91½	July 31,'03	98½	90¾	64,000
" " registered		....	......	....		....	....	....
Atlantic City 1st con. gtd. g. 4's.	1951	1,063,000	M & N	....		....	....	....
Rio Grande West'n 1st g. 4's	1939	15,200,000	J & J	95	July 24,'03	96	95	29,000
" mge & col. tr. g. 4's ser. A.	1949	12,200,000	A & O	90	July 17,'03	90	89½	7,000
" Utah Cen. 1st gtd. g. 4's.	1917	550,000	A & O	97	Jan. 3,02'	....	....	....
Rio Grande Junc'n 1st gtd. g. 5's,	1939	1,850,000	J & D	110½	Feb. 25,'03	....	....	....
Rio Grande Southern 1st g. 4's	1940	2,233,000	J & J	92	Mar. 23,'03	....	....	....
" guaranteed		2,277,000	......	94¼	Nov. 15,'02	....	....	....
Rutland RR 1st con. g. 4½ s	1941	2,440,000	J & J	....		....	....	....
Ogdnsb. & L. Ch'n. Ry. 1st gtd g4s	1948	4,400,000	J & J	....		....	....	....
Rutland Canadian 1st gtd. g. 4's.	1949	1,350,000	J & J	101¼	Nov. 18,'01	....	....	....
Salt Lake City 1st g. sink fu'd 6's,	1913	297,000	J & J	....		....	....	....
St. Jo. & Gr. Isl. 1st g. 2.3-4	1947	3,500,000	J & J	88	May 26,'03	....	....	....
St. L. & Adirondack Ry. 1st g. 5's.	1996	800,000	J & J	....		....	....	....
" 2d g. 6's	1996	400,000	A & O	....		....	....	....
St. Louis & San F. 2d 6's, Class B,	1906	998,000	M & N	105	May 7,'03	....	....	....
" 2d g. 6's, Class C	1906	829,000	M & N	104¾	July 21,'03	104¾	104¾	11,000
" gen. g. 6's	1931	3,681,000	J & J	124½	July 31,'03	124½	120	13,000
" gen. g. 5's	1931	5,803,000	J & J	108[illegible]	July 24,'03	109½	108½	7,000
St. L & San F. R. R. con. g. 4's.	1996	1,558,000	J & D	95½	Jan. 9,'03	....	....	....
" S. W. div. g. 5's	1947	829,000	A & O	100	June 5,'02	....	....	....
" refunding g. 4's	1951	52,717,000	J & J	81¾	July 31,'03	83	78¾	1,429,000
" " registered			J & J	....		....	....	....
Kan. Cy Ft. S. & Mem RR con g 6's	1928	13,736,000	M & N	118	June 8,'03	....	....	....
Kan. Cy Ft. S & M Ry ref g gtd g4s.	1936	14,099,000	A & O	81½	July 27,'03	84¾	80	88,000
" registered			A & O	....		....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs.,	1989	20,000,000	M & N	91½	July 31,'03	92½	89½	160,000
" 2d g. 4's inc. Bd. ctfs.	1989	3,272,500	J & J	69	July 31,'03	74	69	19,000
" con. g. 4's	1932	12,054,000	J & D	76	July 20,'03	77	76	21,000
Gray's Point, Term. 1st gtd. g. 5's.	1947	339,000	J & D	....		....	....	....
St. Paul, Minn. & Manito'a 2d 6's.	1909	7,369,000	A & O	113½	Feb. 24,'03	....	....	....
" 1st con. 6's	1933	13,344,000	J & J	127½	July 29,'03	127⅝	127¼	7,000
" 1st con. 6's, registered			J & J	140	May 14,'02	....	....	....
" 1st c. 6's, red'd to g. 4½'s		19,533,000	J & J	106	July 21,'03	108	106	12,000
" 1st cons. 6's register'd			J & J	115¼	Apr. 15,'01	....	....	....
" Dakota ext'n g. 6's	1910	5,568,000	M & N	110¼	July 30,'03	111¼	110¼	12,000
" Mont. ext'n 1st g. 4's.	1937	10,185,000	J & D	100	July 27,'03	101½	100	87,000
" registered			J & D	106	May 6,'01	....	....	....
Eastern R'y Minn. 1st d. 1st g. 5's.	1908	4,700,000	A & O	103	July 22,'03	103	103	4,000
" registered			A & O	....		....	....	....
" Minn. N. div. 1st g. 4's.	1940	5,000,000	A & O	....		....	....	....
" registered			A & O	....		....	....	....
Minneapolis Union 1st g. 6's	1922	2,150,000	J & J	128	Apr. 4,19'	....	....	....
Montana Cent. 1st 6's int. gtd.	1937	6,000,000	J & J	134	Mar. 16,'03	....	....	....
" 1st 6's, registered			J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's	1937	4,000,000	J & J	118½	May 1,'03	....	....	....
" registered			J & J	....		....	....	....
Willmar & Sioux Falls 1st g. 5's,	1938	3,625,000	J & D	125½	Feb. 17,'02	....	....	....
" registered			J & D	....		....	....	....
San Fe Pres. & Phoe. Ry. 1st g. 5's.	1942	4,940,000	M & S	111	Aug. 15,'01	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's,	1919	3,872,000	J & J	113¾	Dec. 11,'01	....	....	....
Sav. Florida & Wn. 1st c. g. 6's	1934	4,056,000	A & O	128	Oct. 28,'02	....	....	....
" 1st g. 5's	1934	2,444,000	A & O	112	Mar. 17,'99	....	....	....
" St. John's div. 1st g. 4's.	1934	1,350,000	J & J	95¼	Nov. 30,'01	....	....	....
Alabama Midland 1st gtd. g. 5s.	1928	2,800,000	M & N	111	Apr. 20,'03	....	....	....
Brunsw. & West. 1st gtd. g. 4's	1938	3,000,000	J & J	87	Aug. 22,'01	....	....	....
Sil. S. Oc. & G. R. R. & lg. gtd. g. 4's.	1918	1,107,000	J & J	95¼	May 13,'03	....	....	....
Seaboard Air Line Ry g. 4's	1950	12,775,000	A & O	77½	July 31,'03	79¾	77½	83,000
" registered			A & O	....		....	....	....
" col. trust refdg g. 5's.	1911	10,000,000	M & N	100¼	July 31,'03	102	100¼	24,000
Seaboard & Roanoke 1st 5's	1926	2,500,000	J & J	111¼	May 7,'03	....	....	....
Carolina Central 1st con. g. 4's.	1949	2,847,000	J & J	95½	Feb. 17,'03	....	....	....

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Sodus Bay & Sout'n 1st 5's, gold,	1924	500,000	J & J	102	Jan. 20,'03	....	....	....
Southern Pacific Co.								
" 2-5 year col. trust g. 4½'s.	1905	15,000,000	J & D	97	July 31,'03	97½	95½	78,000
" g. 4's Central Pac. coll..	1949	28,818,500	J & D	85½	July 31,'03	88	84¾	166,000
" " registered......			J & D	95	Apr. 10,'02	....	....	....
Austin & Northw'n 1st g. 5's...	1941	1,920,000	J & J	105½	Feb. 25,'03	....	....	....
Cent. Pac. 1st refud. gtd. g. 4's..	1949	60,017,000	F & A	99	July 31,'03	99⅛	97½	267,500
" registered................			F & A	99¼	Mar. 5,'93	....	....	....
" mtge. gtd. g. 3½'s...	1929	18,069,500	J & D	83	July 30,'03	85	83	53,000
" " registered			J & D	....		....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's..	1910	4,756,000	F & A	110¼	Feb. 27,'03	....	....	....
" 2d g 7's................	1905	1,000,000	J & D	105	Feb. 11,'03	....	....	....
" Mex. & P. div 1st g 5's.	1931	13,418,000	M & N	109⅞	Jan. 30,'03	....	....	....
Gila Val. G. & N'n 1st gtd g 5's.	1924	1,514,000	M & N	109½	Feb. 24,'03	....	...	....
Houst. E. & W. Tex. 1st g. 5's..	1933	501,000	M & N	105	May 20,'02	....	....	....
" 1st gtd. g. 5's.........	1933	2,199,000	M & N	102½	Dec. 1,'02	....	....	....
Houst. & T.C. 1st g 5's int. gtd..	1937	2,826,000	J & J	111	July 31,'03	111	108¾	17,000
" con. g 6's int. gtd......	1912	2,911,000	A & O	111	Mar. 14,'03	....	....	....
" gen. g 4's int. gtd......	1921	4,287,000	A & O	92	May 7,'03	....	....	....
" W & N wn. div. 1st. g. 6's.	1930	1,105,000	M & N	127½	Feb. 27,'02	....	....	....
Morgan's La & Tex. 1st g 6's....	1920	1,494,000	J & J	122	Sept. 15,'02	....	....	....
" 1st 7's..................	1918	5,000,000	A & O	130	Nov. 19,'02	....	...	....
N. Y. Tex. & Mex. gtd. 1st g 4's..	1912	1,465,000	A & O	....		....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's.	1907	3,964,000	J & J	102	July 30,'03	102	102	100
" gtd. g. 5's..................		4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's.........	1927	19,031,000	J & J	105½	Nov. 7,'01	....	....	....
San Ant. & Aran Pass 1st gtd g 4's.	1943	18,900,000	J & J	75¼	July 31,'03	77½	75	45,000
South'n Pac. of Ariz. 1st 6's.....	1909	6,000,000	J & J	110¼	Apr. 9,'03	....	....	....
" " "	1910	4,000,000	J & J	111½	Apr. 6,'03	....	....	....
" of Cal. 1st g 6's ser. A.	1905	29,192,500	A & O	103¼	July 20,'03	103¼	103¼	10,000
" " " ser. B.	1905		A & O	104¼	May 15,'03	....	....	....
" " " C. & D.	1906		A & O	106½	May 15,'03	....	....	....
" " " E. & F.	1912		A & O	119¾	Feb. 20,'03	....	....	....
" " "	1912	....	A & O	119	Mar. 17,'03	....	....	....
" 1st con. gtd. g 5's...	1937	6,809,000	M & N	110	May 15,'03	....	....	....
" stamped........	1905-1937	20,420,000	......	107¼	July 30,'03	107¼	106¾	85,000
So. Pacific Coast 1st gtd. g. 4's.	1937	5,500,000	J & J	....		....	....	....
" of N. Mex. c. 1st 6's.	1911	4,180,000	J & J	108¾	June 26,'03	....	....	....
Tex. & New Orleans 1st 7's......	1905	842,000	F & A	108	May 20,'02	....	....	....
" Sabine div. 1st g 6's...	1912	2,575,000	M & S	111½	Oct. 30,'02	....	....	....
" con. g 5's................	1943	1,620,000	J & J	101	Apr. 25,'03	....	....	....
Southern Railway 1st con. g 5's.	1994	35,367,000	J & J	112¾	July 31,'03	114¼	112	126,000
" registered.................			J & J	117	Feb. 26,'03	....	....	....
Mob. & Ohio collat. trust g. 4's.	1938	7,855,000	M & S	91¼	July 30,'03	93	89	83,000
" registered................			M & S	....		....	....	....
" Memph. div. 1st g. 4-4½-5's.	1996	5,183,000	J & J	112½	Apr. 15,'03	....	....	....
" registered..................			J & J	....		....	....	....
" St. Louis div. 1st g. 4's...	1951	11,250,000	J & J	94	July 31,'03	94	91	23,000
" " registered.........			J & J	....		....	....	....
Alabama Central, 1st 6's........	1918	1,000,000	J & J	120	Mar. 25,'01	....	....	....
Atlantic & Danville 1st g. 4's..	1948	3,925,000	J & J	95	Dec. 4,'02	....	....	....
Atlantic & Yadkin, 1st gtd g 4s.	1949	1,500,000	A & O	....		....	....	....
Col. & Greenville, 1st 5-6's.....	1916	2,000,000	J & J	120	Sept. 10,'02	....	....	....
East Tenn., Va. & Ga. div. g. 5's.	1930	3,106,000	J & J	116½	May 29,'03	....	....	....
" con. 1st g 5's...........	1956	12,770,000	M & N	115	July 17,'03	116	115	48,000
" reorg. lien g 4's.......	1938	4,500,000	M & S	114	Jan. 26,'03	....	....	....
" registered.................			M & S	....		....	....	....
Ga. Pacific Ry. 1st g 5-6's......	1922	5,660,000	J & J	122	Mar. 30,'03	....	....	....
Knoxville & Ohio, 1st g 6's.....	1925	2,000,000	J & J	120	July 3,'03	120	120	5,000
Rich. & Danville, con. g 6's....	1915	5,597,000	J & J	114	July 13,'03	114	114	10,000
" equip. sink. f'd g 5's,	1909	818,000	M & S	101¼	July 20,'19'	....	....	....
" deb. 5's stamped......	1927	3,368,000	A & O	109¼	July 22,'03	109¼	109¼	10,000
Rich. & Mecklenburg 1st g. 4's.	1948	315,000	M & N	92	Sept. 9,'02	....	...	....
South Caro'a & Ga. 1st g. 5's....	1919	5,250,000	M & S	104	July 29,'03	104½	104	4,000
Vir. Midland serial ser. A 6's..	1906	600,000	M & S	....		....	....	....
" small......................			M & S	....		....	....	....
" ser. B 6's...............	1911	1,900,000	M & S	112½	Jan. 6,'03	....	....	....
" small......................			M & S	....		....	....	....
" ser. C 6's...............	1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
" small......................			M & S	....		.. .	....	....
" ser. D 4-5's.............	1921	950,000	M & S	112	Feb. 18,'03	....	....	....
" small......................			M & S	....		....	...	......
" ser. E 5's...............	1926	1,775,000	M & S	115	Jan. 6,'03	....	....	....
" small......................			M & S	....		....	....	....
" ser. F 5's...............	1931	1,310,000	M & S	114	Dec. 18,'02	....	....	....
Virginia Midland gen. 5's......	1936	2,392,000	M & N	110	July 30,'03	110¼	110	12,000
" gen. 5's. gtd. stamped.	1926	2,466,000	M & N	113½	May 14,'03	....	....	....

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W. O. & W. 1st cy. gtd. 4's.....1924	1,025,000	F & A	93	Feb. 20,'03	....	....	....
W. Nor. C. 1st con. g 6's........1914	2,531,000	J & J	115½	Mar. 6,'03	....	....	....
Spokane Falls & North.1st g.6's..1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl.Ry.N.Y.1stgtd.g.4½'s.1943	500,000	J & D	104¼	Sept. 2,'02	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s.1939	7,000,000	A & O	107¼	July 21,'03	107¼	107¼	7,000
″ 1st con. g. 5's.....1894-1944	5,000,000	F & A	114¼	June25,'03	....	.. .	....
St. L. Mers. bdg. Ter. gtd g. 5's.1930	3,500,000	A & O	115	June30,'03	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th 1905	2,815,000	M & S	102	May 29,19'	....	....	... .
″ 1st gold 5's..............2000	22,120,000	J & D	114	July 31,'03	116	113¾	73,000
″ 2d gold income, 5's......2000	963,000	MAR.	81	June25,'03	....	....	....
″ La. Div.B.L. 1st g.5's...1931	3,348,000	J & J	111	Jan. 3,'03	....	....	....
Toledo & Ohio Cent. 1st g 5's....1935	3,000,000	J & J	110	July 23,'03	110⅛	110	9,000
″ 1st M. g 5's West. div...1935	2,500,000	A & O	110½	July 8,'03	110½	110½	2,000
″ gen. g. 5's..............1935	2,000,000	J & D	112¾	Mar. 2,'03	....	....	....
″ Kanaw & M. 1st g. g. 4's.1990	2,469,000	A & O	90½	July 17,'03	90½	90⅛	3,000
Toledo Peoria & W. 1st g 4's....1917	4,900,000	J & D	90⅛	June24,'03	....	....	....
Tol., St.L.& Wn. prior lien g 3½'s.1925	9,000,000	J & J	85⅛	July 22,'03	85⅛	85	5,000
″ registered....................		J & J	....		..	....	....
″ fifty years g. 4's........1925	6,500,000	A & O	71	July 30,'03	77	71	66,000
″ registered....................		A & O	....		...	....	... .
Toronto,Hamilton&Buff 1st g 4s.1946	3,280,000	J & D	98	Apr. 29,'03	....	.. .	....
Ulster & Delaware 1st c. g 5's....1925	1,852,000	J & D	108	July 28,'03	108	1 8	5,000
Union Pacific R. R. & ld gt g 4s...1947	100,000,000	J & J	99¾	July 31,'03	100⅝	99½	1,272,000
″ registered................		J & J	100	July 16,'03	100	100	1,500
″ 1st lien con. g. 4's......1911	87,259,000	M & N	93¾	July 31,'03	96¾	92	5,340,000
″ registered................		M & N	105¼	Dec. 6,'02	....	....	.. ....
Oreg. R. R. & Nav.Co.con. g 4's.1946	21,482,000	J & D	97½	July 31,'03	98½	97	75,000
Oreg. Short Line Ry. 1st g. 6's.1922	13,651,000	F & A	123	July 31,'03	123	123	13,000
″ 1st con. g. 5's.1946..........	12,328,000	J & J	110	July 30,'03	110	109	35,000
″ 4's&participat'g g.bds.1927	41,000,000	F & A	91¼	July 31,'03	92½	89¼	846,000
″ registered................		F & A	....		....	....	....
Utah & Northern 1st 7's........1908	4,993,000	J & J	115	Nov.24,'01	....	....	....
″ g. 5's....................1926	1,877,000	J & J	114½	Apr. 19,'02	....	....	....
Virginia & S'western 1st gtd. 5's..2003	2,000,000	J & J	101½	July 17,'03	101½	101	5,000
Wabash R.R. Co., 1st gold 5's....1939	32,498,000	M & N	115	July 31,'03	115¼	114	160,000
″ 2d mortgage gold 5's...1939	14,000,000	F & A	106½	July 30,'03	106½	105½	156,000
″ deben. mtg series A...1939	3,500,000	J & J	101½	Apr. 28,'03	....	....	....
″ series B................1939	26,500,000	J & J	60	July 31,'03	72½	55⅛	4,324,000
″ first lien eqpt. fd.g. 5's.1921	3,000,000	M & S	104½	Dec. 11,'02	....	....	....
″ 1st g.5's Det.& Chi.ex..1940	3,411,000	J & J	107	July 23,'03	109	107	6,000
″ Des Moines div.1st g.4s.1939	1,600,000	J & J	97	May 12,'02	....	....	....
″ Omaha div. 1st g. 3½s..1941	3,500,000	A & O	84	June23,'03	....	....	....
″ Tol. &Chic.div.1stg.4's.1941	3,000,000	M & S	98	Mar. 17,'02	....	....	....
St. L., K.C.& N.St.Chas. B.1st6's1908	473,000	A & O	109½	Mar. 13,'03	....	....	....
Western N.Y. & Penn. 1st g. 5's..1937	10,000,000	J & J	117¼	May 20,'03	....	....	....
″ gen g. 3-4's..............1943	9,789,000	A & O	96½	July 2,'03	96½	96½	2,000
″ inc. 5's..................1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	... .
West Va.Cent'l & Pitts.1st g. 6's.1911	3,250,000	J & J	108	July 31,'03	108	106	30,000
Wheeling & Lake Erie 1st g. 5's.1926	2,000,000	A & O	112½	July 30,'03	112½	112	3,000
″ Wheeling div. 1st g. 5's.1928	894,000	J & J	113	Sept. 9,'02	....	....	....
″ exten. and imp. g. 5's...1930	343,000	F & A	110	Mar. 6,'03	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's..1949	11,130,000	M & S	88	July 30,'03	90¾	87⅞	105,000
Wisconsin Cen. R'y 1st gen. g. 4s.1949	23,879,000	J & J	87	July 28,'03	90	86	144,000
STREET RAILWAY BONDS.							
Brooklyn Rapid Transit g. 5's...1945	6,625,000	A & O	102	July 31,'03	102½	102	28,000
″ Atl. av.Bkn .imp. g.5's.1934	1,500,000	J & J	110	Jan. 20,'99	....	....	....
″ City R. R. 1st c. 5's1916.1941	4,373,000	J & J	110	Apr. 14,'03	....	....	....
″ Qu. Co. & Sur. con. gtd. g. 5's....................1941	2,255,000	M & N	100	July 30,'03	102	100	17,000
″ Union Elev. 1st. g. 4-5s.1950	16,[illegible]00,000	F & A	100½	July 31,'03	101	99	99,000
″ stamped guaranteed......		......	100¾	July 15,'03	100¾	100¾	1,000
Kings Co. Elev. R. R. 1st g. 4's.1949	7, 00,000	F & A	85	July 30,'03	86	85	12,000
″ stamped guaranteed		......	....		....	....	....
Nassau Electric R. R. gtd. g. 4's.1951	10,474,000	J & J	85½	Jan. 5,'03	....	....	....
City & Sub. R'y, Balt. 1st g. 5's...1922	2,430,000	J & D	105¾	Apr. 17,'95	....	....	....
Conn.Ry.& Lightg 1st&rfg.g4½'s.1951	8,355,000	J & J	99⅞	Oct. 30,'02	....	....	....
Denver Con. T'way Co. 1st g. 5's.1933	730,000	A & O	97½	June13,19'	...	....	....
Denver T'way Co. con. g. 6's....1910	1,219,000	J & J	....		....	....	....
Metropol'n Ry Co. 1st g. g. 6's.1911	913,000	J & J	....		....	....	....
DetroitCit'ensSt.Ry.1stcon.g.5's.1905	5,485,000	J & J	103	Nov.23,'01	....	....	....
Grand Rapids Ry 1st g. 5's........1916	2,500,000	J & D	....		....	....	....
Louisville Railw'y Co. 1st c. g. 5's, 1930	4,600,000	J & J	109	Mar. 19,'98	....	....	....
Market St. Cable Railway 1st 6's, 1913	3,000,000	J & J	....		....	....	....

BOND QUOTATIONS.—Last sale, price and date: highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	*Date.*	JULY SALES. *High.*	*Low.*	*Total.*
Metro. St. Ry N.Y.g. col. tr.g. 5's.1997	12,500,000	F & A	114⅛	July 24,'03	115	114⅛	8,000
" refunding 4's..........2002	12,780,000	A & O	90¼	July 29,'03	90¼	90	80,000
B'way & 7th ave. 1st con. g. 5's. 1943	7,650,000	J & D	113¾	July 28,'03	113¾	113¾	2,000
" registered		J & D	119½	Dec. 3,19'			
Columb. & 9th ave. 1st gtd g 5's, 1993	3,000,000	M & S	117⅛	July 24,'03	117⅛	117⅛	1,000
" registered..................		M & S					
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	116	July 27,'03	116	116	3,000
" registered..................		M & S					
Third Ave. R.R. 1st c.gtd.g.4's..2000	35,000,000	J & J	94⅛	July 31,'03	95¼	93⅛	142,000
" registered..................		J & J					
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	117¼	July 2,'03	117¼	117¼	5,000
Met. West Side Elev. Chic. 1stg.4's.1938	10,000,000	F & A	99⅛	Mar. 27,'03			
" registered..................		F & A					
Mil. Elec. R.&Light con.30yr.g.5's.1926	6,500,000	F & A	106	Oct. 27,'99			
Minn. St. R'y (M. L. & M.) 1st con. g. 5's......................1919	4,050,000	J & J	110	June26,'01			
St.Jos. Ry. Lig't, Heat&P. 1stg.5's.1937	3,500,000	M & N					
St. Paul City Ry. Cable con.g.5's.1937	2,480,000	J&J15	109¼	Apr. 14,'03			
" gtd. gold 5's............1937	1,138,000	J & J	112	Nov. 28,'99			
Union Elevated (Chic.) 1st g.5's.1945	4,387,000	A & O	109⅛	Dec. 14,'99			
United Railways of St. L. 1st g.4's.1934	28,292,000	J & J	84⅝	June25,'03			
United R. R. of San Fr. s. fd. 4's...1927	20,000,000	A & O	76	July 31,'03	77⅞	76	306,000
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N					
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97			

MISCELLANEOUS BONDS.

NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	*Price.*	*Date.*	*High.*	*Low.*	*Total.*
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	103⅝	July 29,'03	101¾	103	77,000
Am. Steamship Co. of W.Va.g.5's 1920	5,452,000	M & N	100¾	June 4,'02			
Bklyn. Ferry Co. of N.Y. 1stc.g.5's.1948	6,500,000	F & A	73	Mar. 26,'03			
Chic. Junc. & St'k Y'ds col. g. 5's.1915	10,000,000	J & J	111	Mar. 7,'01			
Der. Mac.&Ma.ld.gt.3½'s sem.an.1911	2,771,000	A & O	83¼	July 31,'03	87	75	157,000
Hackensack Water Co. 1st 4's....1952	3,000,000	J & J					
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94			
Madison Sq. Garden 1st g.5's....1916	1,250,000	M & N	102	July 8,'97			
Manh. Bch H. & L. lim.gen. g. 4's.1940	1,300,000	M & N	50	Feb. 21,'02			
Newport News Shipbuildng & Dry Dock 5's............1890-1990	2,000,000	J & J	94	May 21,'94			
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	92	July 10,'03	92	91¾	19,000
" registered..................		F & A					
St. Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J					
St. Louis Terml. Cupples Station. & Property Co. 1st g 4½'s 5-20..1917	3,000,000	J & D					
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	104	July 25,'03	104	104	10,000
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	113½	Dec. 18,19'			
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series D 4½'s..............1901-1916	1,000,000	J & J					
" E 4's..................1907-1917	1,000,000	J & D					
" F 4's..................1908-1918	1,000,000	M & S					
" G 4's..................1903-1918	1,000,000	F & A	100	Mar. 15,19'			
" H 4's..................1903-1918	1,000,000	M & N					
" I 4's..................1904-1919	1,000,000	F & A					
" J 4's..................1904-1919	1,000,000	M & N					
" K 4's..................1905-1920	1,000,000	J & J					
Small bonds....................							

INDUSTRIAL AND MFG. BONDS.

NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	*Price.*	*Date.*	*High.*	*Low.*	*Total.*
Am. Bicycle Co. sink. fund deb. 5's.1919	9,231,000	M & S	34	Feb. 2,'03			
Am. Cotton Oil deb. ext. 4½'s....1915	2,919,000		96½	July 11,'03	96½	96	2,000
Am. Hide & Lea. Co. 1st s. f. 6's...1919	8,375,000	M & S	86	July 31,'03	87	85	29,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & N	87	July 10,'03	87	87	1,000
Am. Thread Co., 1st coll. trust 4's.1919	6,000,000	J & J	78	June 4,'03			
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	105	Jan. 10,19'			
Consol. Tobacco Co. 50 year g. 4's.1951	157,378,200	F & A	57½	July 31,'03	61	56½	5,160,000
" registered..................		F & A	66½	Oct. 8,'02			
Dis. Secur. Cor. con. 1st g. 5's....1927	13,379,000	A & O	61¾	July 31,'03	63	59	708,000
Dis. Co. of Am. coll. trust g 5's..1911	3,530,000	J & J	100	Mar. 25,'03			
Illinois Steel Co. debenture 5's...1910	1,400,000	J & J	99	Jan. 17,'99			
" non. conv. deb. 5's......1910	7,000,000	A & O	100	May 2,'02			
Internat'l Paper Co. 1st con.g 6's.1918	9,400,000	F & A	107	July 29,'03	107½	107	29,000
Knick'r'ker Ice Co. (Chic) 1st g 5's.1928	2,000,000	A & O	98	Feb. 24,'03			
Lack. Steel Co., 1st con. g. 5's....1923	4,202,000	A & O	96½	July 28,'03	97½	96	104,000
Nat. Starch Mfg. Co., 1st g 6's...1920	2,924,000	J & J	95	Mar. 2,'03			
Nat. Starch. Co's fd. deb. g. 5's..1925	4,137,000	J & J	68	July 13,'03	68	68	2,000
Standard Rope & Twine 1st g. 6's.1946	2,740,000	F & A	46	July 30,'03	57	40	89,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JULY SALES. *High.*	JULY SALES. *Low.*	JULY SALES. *Total.*
Standard Rope&Twine inc.g.5s..	1946	7,500,000	......	4½	July 29,'03	7	3	449,000
United Fruit Co., con. 5's........	1911	3,794,000	M & S	....	....	....	....	....
U. S. Env. Co. 1st sk. fd. g. 6's...	1918	3,797,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb..	1915	5,280,000	M & N	110	July 24,'03	110¾	110	6,000
U. S. Reduction & Refin. Co. 6's..	1931	....	......	83	May 27,'03	....	....	....
U. S. Shipbldg. 1st & fd g.5's Ser. A.	1932	14,500,000	J & J	25⅛	July 21,'03	25⅛	25	25,000
" collat. and mge. 5's..	1932	10,000,000	F & A	91	Jan. 15,'03	....	....	....
U.S.Steel Corp. col. tr. 2d gs. 5's	1963	....	M & N	80⅛	July 31,'03	84¼	77⅝	9,991,000
" " " reg.	1963	....	M & N	80¼	July 30,'03	83⅞	79	34,000
BONDS OF COAL AND IRON COS.								
Colo. C'l & I'n Devel.Co. gtd g.5's.	1909	700,000	J & J	55	Nov. 2,19'	....	....	....
" Coupons off..............		....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's..........	1919	640,000	M & N	112	Apr. 30,'03	....	....	....
Col. Fuel & Iron Co. gen. sf g 5's..	1943	5,355,000	F & A	100	July 27,'03	100½	99⅞	36,000
" conv. deb. g. 5's.........	1911	14,068,000	F & A	83	July 31,'03	88	79	753,000
" registered..................			F & A	....	....	....	....	....
Continental Coal 1st s. f. gtd. 5's..	1952	2,750,000	F & A	....	....	....	....	....
Grand Riv. Coal & Coke 1st g. 6's.	1919	949,000	A & O	115	June 23,'02	....	....	....
Jeff. & Clearf. Coal & Ir. 1st g. 5's	1926	1,621,000	J & D	105⅛	Oct. 10,'98	....	....	....
" 2d g. 5 s................	1926	1,000,000	J & D	80	May 4,'97	....	....	....
Kan. & Hoc. Coal&Coke 1st g.5's	1951	2,750,000	J & J	105	Oct. 24,19'	....	....	....
Pleasant Valley Coal 1st g. s.f.5s.	1928	1,174,000	J & J	106¼	Feb. 27,'02	....	.	... .
Roch & Pitts. Cl&Ir. Co. pur my 5's.	1946	1,092,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's..	1912	879,000	J & D	....	....	....	....	....
Tenn. Coal, Iron & R.R. gen. 5's..	1951	3,000,000	J & J	91	July 31,'03	91	91	3,000
" Tenn. div. 1st g. 6's......	1917	1,193,000	A & O	103	June 29,'03	....	....	....
" Birmingh. div. 1st con. 6's	1917	3,650,000	J & J	109	July 14,'03	109	109	2,000
Cahaba Coal M. Co., 1st gtd. g. 6's	1922	892,000	J & D	105	Feb. 10,19'	....	....	... ...
De Bardeleben C&I Co. gtd. g. 6's	1910	2,729,500	F & A	102¾	July 21,'03	103⅛	102½	8,000
Va. Iron, Coal & Coke, 1st g. 5's...	1949	6,953,000	M & S	75	July 27,'03	77	75	43,000
Wheel L. E. & P. Cl Co. 1st g 5's.	1919	836,000	J & J	82	Jan. 15,19'	....	....	....
GAS & ELECTRIC LIGHT CO. BONDS.								
Atlanta Gas Light Co. 1st g. 5's..	1947	1,150,000	J & D	....	....	....	....	... ...
B'klyn Union GasCo. 1st con g. 5's.	1945	14,493,000	M & N	113	July 31,'03	113¼	112½	60,000
Buffalo Gas Co. 1st g. 5's.........	1947	5,900,000	A & O	74	June 24,'03	....	....	....
Columbus Gas Co., 1st g. 5's......	1932	1,215,000	J & J	104½	Jan. 28,'98	....	..	....
Detroit City Gas Co. g. 5's.......	1923	5,608,000	J & J	93½	July 31,'03	95⅛	93½	6,000
Detroit Gas Co. 1st con. g. 5's.....	1918	381,000	F & A	105	June 2,'03	....	....	....
Equitable Gas Light Co. of N. Y. 1st con. g. 5's..........	1932	3,500,000	M & S	102⅞	Feb. 19,'03	....	....	....
Gas. & Elec. of Bergen Co, c.g.5s.	1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Gen. Elec. Co. del. g. 3½'s	1942	2,049,400	F & A	....	....	....	....	....
Grand Rapids G. L. Co. 1st g. 5's.	1915	1,225,000	F & A	107¾	Dec. 17,19'	....	....	... ..
Hudson Co. Gas Co. 1st g. 5's....	1949	9,180,000	M & N	105	July 10,'03	105	105	2,000
Kansas City Mo. Gas Co. 1st g 5's.	1922	3,750,000	A & O	....	....	....	....	....
Kings Co. Elec. L.&Power g. 5's..	1937	2,500,000	A & O	....	....	....	....	. ..
" purchase money 6's....	1997	5,010,000	J & J	118½	July 21,'03	118½	118½	119,500
Edison El. Ill. Bkln 1st con. g. 4's.	1939	4,275,000	J & J	93¼	May 29,'03	....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's.	1919	10,000,000	Q F	105	July 23,'03	105	104½	35,000
" small bonds................				97½	Nov. 1,'95	....	....	....
Milwaukee Gas Light Co. 1st 4's..	1927	6,000,000	M & N	95	July 31,'02	....	....	....
Newark Cons. Gas, con. g. 5's....	1948	5,274,000	J & D	....	....	....	....	....
N.Y.Gas EL. H&P Co 1st col tr g 5's.	1948	15,000,000	J & D	108	July 29,'03	105	108	3,000
" registered...................			J & D			....	....	....
" purchase mny col tr g 4's.	1949	20,389,000	F & A	91	July 30,'03	91¾	90	59,000
Edison El. Illu. 1st conv. g. 5's.	1910	4,312,000	M & S	106	July 30,'03	106	101½	6,000
" 1st con. g. 5's...........	1995	2,156,000	J & J	119	Apr. 24,'03	....	....	....
N.Y.&Qus. Elec. Lg.&P. 1st. c.g.5's	1930	2,272,000	F & A	103	June 4,'03	....	....	....
N.Y.& Richmond Gas Co. 1st g. 5's.	1921	1,000,000	M & N	102¾	Apr. 30,'03	....	....	....
Paterson&Pas. G.&E. con.g.5's..	1949	3,317,000	M & S	....	....	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's.	1904	2,100,000	M & N	101½	July 28,'03	101½	101	5,000
" 2d gtd. g. 6's............	1904	2,500,000	J & D	100	July 28,'03	100	100	1,000
" 1st con. g 6's............	1943	4,900,000	A & O	117½	June 22,'03	....	....	....
" refunding g. 5's........	1947	2,500,000	M & S	105¼	Apr. 12,'03	....	....	....
" refuding registered....			M & S	....	....	....	....	....
Chic. Gas Lt&Coke 1st gtd g. 5's.	1937	10,000,000	J & J	100	July 29,'03	100	100	2,000
Con. Gas Co. Chic. 1st gtd. g. 5's.	1936	4,346,000	J & D	105	June 3,'03	....	...	....
Eq. Gas&Fuel, Chic. 1st gtd. g. 6's.	1905	2,000,000	J & J	103	June 17,'03	....	...	....
Mutual Fuel Gas Co. 1st gtd. g. 5's.	1947	5,000,000	M & N	105	Feb. 16,'03	....	....	....
" registered..................		....	......	....	....	....	....	....
Syracuse Lighting Co. 1st g. 5's..	1951	2,000,000	J & D	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's.	1949	1,500,000	M & S	109	Feb. 8,'01	....	....	....
Utica Elec. L. & P. 1st s. f'd g. 5's.	1950	500,000	J & J	....	....	....	....	....
Westchester Lighting Co. g. 5's.	1950	5,380,000	J & D	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JULY SALES. *High*	JULY SALES. *Low.*	JULY SALES. *Total.*
TELEGRAPH AND TELEPHONE CO. BONDS.								
Am.Teleph.&Teleg.coll.trust.4's	1929	28,000,000	J & J	96⅛	Apr. 29,'03	....	...	....
Commercial Cable Co. 1st g. 4's	2397.	10,828,000	Q & J	100⅛	Apr. 8,'02	....	....	....
" registered	....		Q & J	100⅛	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.								
Erie Teleg. & Tel. col. tr. g s fd 5's	1926	3,905,000	J & J	109	Oct. 7,'99	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's	1918	2,000,000	M & N	114	Nov. 7,'02	....	....	....
" registered	....		M & N					
N. Y. & N. J. Tel. gen. g 5's	1920	1,261,000	M & N	105¾	July 2,'03	105¾	105¾	1,000
Western Union col. tr. cur. 5's	1938	8,504,000	J & J	106⅛	July 13,'03	106⅛	106	6,000
" fundg & real estate g.4½'s	1950	16,000,000	M & N	102¾	July 31,'03	103	102	37,000
Mutual Union Tel. s. fd. 6's	1911	1,957,000	M & N	107½	June 23,'03	....	....	....
Northwestern Telegraph 7's	1904	1,250,000	J & J	104	May 9,'02	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME	*Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1903. *High.*	YEAR 1903. *Low.*	JULY SALES. *High.*	JULY SALES. *Low.*	JULY SALES. *Total.*
United States con. 2's registered	1930	515,411,050	Q J	106⅞	106	106⅞	106⅞	1,000
" con. 2's coupon	1930		Q J	107⅛	106¼	106¾	106¾	18,000
" con. 2's reg. small bonds	1930		Q J	....	....	....	....	......
" con. 2's coupon small bds.	1930		Q J	....	....	....	....	......
" 3's registered	1908–18	84,789,800	Q F	108½	107	108	107¾	8,000
" 3's coupon	1908–18		Q F	109	107⅛	109	107½	5,000
" 3's small bonds reg.	1908–18		Q F	....	....	....	....	......
" 3's small bonds coupon.	1908–18		Q F	108⅛	107⅛	....	....	......
" 4's registered	1907	176,434,800	J A J&O	111⅛	109	111	111	2,000
" 4's coupon	1907		J A J&O	112	109¼	111⅛	111	7,000
" 4's registered	1925	118,489,900	Q F	136½	134¼	134¼	134¼	80,000
" 4's coupon	1925		Q F	137⅛	136	....	....	......
" 5's registered	1904	19,885,050	Q F	....	....	....	....	......
" 5's coupon	1904		Q F	103⅜	103	....	....	......
District of Columbia 3-65's	1924	14,224,100	F & A	121	121	....	....	......
" small bonds	....		F & A	....	....	....	....	......
" registered.	....		F & A	....	....	....	....	......
STATE SECURITIES.								
Alabama Class A 4 and 5	1906	6,859,000	J & J	....	....	....	....	......
" " small	....	....	....	....	....	....	....	......
" Class B 5's	1906	575,000	J & J	....	....	....	....	......
" Class C 4's	1906	962,000	J & J	....	....	....	....	......
" currency funding 4's	1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.								
Louisiana new con. 4's	1914	10,752,800	J & J	106	106	....	....	......
" " small bonds	....			....	....	....	....	......
Missouri fdg. bonds due	1894–1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's	1910	3,397,850	J & J	....	....	....	....	......
" small	....		J & J	....	....	....	....	......
" 6's	1919	2,720,000	A & O	....	....	....	....	......
South Carolina 4½'s 20–40	1933	4,392,500	J & J	....	....	....	....	......
Tennessee new settlement 3's	1913	6,681,000	J & J	97	94	94⅞	94	9,000
" registered	....	6,079,000	J & J	....	....	....	....	......
" small bond	....	362,200	J & J	....	....	....	....	......
Virginia fund debt 2–3's of	1991	18,046,336	J & J	....	....	....	....	......
" registered	....		J & J	....	....	....	....	......
" 6's deferred cts. Issue of 1871		3,974,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871	.....	8,716,565	....	12	7⅛	....	....	......
FOREIGN GOVERNMENT SECURITIES.								
Frankfort-on-the-Main, Germany, bond loan 3½'s series 1	1901	14,776,000 (Marks.)	M & S	....	....	....	....	......
Four marks are equal to one dollar.								
Imperial Russian Gov. State 4% Rente	....	2,310,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.								
Quebec 5's	1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's	....	....	Q J	98⅝	90½	....	....	......
Regular delivery in denominations of £100 and £200	....	£22,245,920	......	....	....	....	....	......
Small bonds denominations of £20	......	....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.		....	......	....	....	....	....	......

BANKERS' OBITUARY RECORD.

Cabble.—Elijah Cabble, one of the founders of the Dime Savings Bank, Brooklyn, N. Y., and an extensive and successful manufacturer, died July 25. He was born in England in 1831, and came to this country at the age of fifteen.

Camp.—Samuel T. Camp, President of the Farmers and Mechanics' Savings Bank and Vice-President of the Middlesex County National Bank, Middletown, Ct., died July 7. He was born at Middletown in 1831.

Crispin.—B. F. Crispin. Jr., President of the First National Bank, Berwick, Pa., died July 10. He was born in Philadelphia in 1847, and was reared and educated there. After engaging in business in Philadelphia for some time, he went to Berwick in 1872, and about a year later entered the First National Bank as teller, subsequently becoming a director and President. His manufacturing interests were also extensive.

DuBois.—Fred E. DuBois, Assistant Cashier of the Randolph (Vt.) National Bank, died June 28, aged forty-six years.

Elliott.—John Elliott, President of the Thompson Savings Bank, Putnam, Ct., was struck by lightning and instantly killed while walking to his home on the afternoon of July 14. He was fifty-five years of age, and was one of the most prominent citizens of the town.

Gardiner.—John Gardiner, President of the Southwestern National Bank, Philadelphia, died July 5. Mr. Gardiner was born at Albany, N. Y., in 1825, but since early in life he had been a resident of Philadelphia. He had been a member of the Franklin Institute for fifty-one years and was a liberal contributor to charitable organizations.

Giddings.—Captain Edward L. Giddings, a member of the banking firm of Tower, Giddings & Co., Boston, died July 28, aged sixty-eight years.

Heart.—A. L. Heart, Cashier of the Commercial National Bank, St. Joseph, Mich., died June 28.

Perrin.—James J. Perrin, a director of the Merchants' National Bank, Lafayette, Ind., and one of the old and wealthy bankers of the State, died July 27, aged seventy-four years. He was the founder of the Indiana National Bank at Lafayette and President of that bank until about a year ago, when it merged with the Merchants' National.

Powell.—Frank C. Powell, until a few months ago Cashier of the Laurens Banking Co., Dublin, Ga., died July 23.

Rourke.—John W. Rourke, who was connected with the Bank of California, San Francisco, for over thirty years, died July 18. He became connected with the bank in 1869, serving from that time to his death as bookkeeper and accountant.

Rowley.—Frederick N. Rowley, President of the First National Bank, Kalamazoo, Mich., died July 19, aged forty years. Mr. Rowley was one of the well-known young capitalists of Central Michigan and was engaged in a number of business enterprises in Michigan and other States.

Spalding.—Samuel Spalding, who was formerly President of the Marion National Bank, Lebanon, Ky., and who held that office for sixty years, died July 30. He was born at Calvary, Ky., in 1809.

Thompson.—Col. Wm. Thompson, President of the Miners' National Bank, Pottsville, Pa., died July 10 in his seventieth year. He recruited a company of Pennsylvania cavalry for service in the Civil War, and served under General Sheridan's command, receiving promotion to Colonel upon his recommendation.

Vanderpool.—Eugene Vanderpool, President of the Howard Savings Institution, Newark, N. J., died July 12. Mr. Vanderpool was born in Newark fifty-nine years ago and graduated at Princeton in the class of '64. He was one of the best-known gas engineering experts in the country and was president of two large gas corporations, and was also a director of the National Newark Banking Company, the Mutual Benefit Life Insurance Co. and other institutions.

THE

BANKERS' MAGAZINE

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

FIFTY-SEVENTH YEAR. SEPTEMBER, 1903. VOLUME LXVII, No. 3.

THE CITY OF SAN FRANCISCO is preparing to extend a royal welcome to the convention of the American Bankers' Association, which meets in the Pacific Coast Metropolis October 20, 21, 22 and 23.

It is hoped that the attendance will be large, for aside from the benefits incident to the convention itself (and these are numerous and obvious), the opportunity of a trip across the continent and a visit to the great and beautiful Golden State, ought to prove attractive enough to insure the largest convention ever held. Occasions for obtaining a better knowledge of all parts of the country should be eagerly welcomed by the bankers, especially by those of the large cities who have close business relations with every geographical section. The vast and growing productive resources of the West are the solid basis of wealth, and the chance to learn more of this growth and development offers practical educational advantages to the banker.

The scenic beauties of the journey to the western coast also are by no means the least important feature to be considered by the banker who is trying to make up his mind whether to attend the convention or not. Many side trips can be arranged, by which the leading points of interest can be visited, and those desiring to pass their vacations in the West can find localities to suit every taste.

The bankers of San Francisco, and of the entire Pacific Coast, will do their utmost to give a genuine welcome to all who attend the convention. They will be especially pleased to be able to extend their greetings to a very large number of the bankers of the country.

The American Bankers' Association is now more fully representative of the banking interests of the country than it has been in its history, both in the number of its members and the work that is being done. There is a gradual widening of the scope of the association's activities, and the benefits accruing to the banking fraternity from the organization are growing year by year. Everything points to a successful and profitable convention at San Francisco.

THE WATER IN THE CURRENCY does not seem to have attracted as much attention as has been bestowed on the presence of such large quantities of this fluid in the capitalization of certain industrial and other corporations. When a promoter capitalizes his concern at a greatly inflated value, he can point to the example of the Government carrying in the statement of its assets items whose real worth is much below the figures stated on the books. The water or fiat thus represented in the silver and United States notes, allowing for the $150,000,000 gold reserve, is upwards of five hundred millions of dollars.

Were the credit of the country not so high, owing to abundant revenues and general prosperity, this fact would be a constant menace to continued financial and commercial stability. As it is, it is an element that, upon the approach of any monetary disturbance, adds to the uncertainty and apprehension which then pervade the great centers of trade.

Attention is called to this element of weakness in our currency not because it is a matter of immediate concern, but for the reason that it is likely to cause serious trouble should the present general business activity be followed, as it probably will be in time, by a period of great dullness. Then the distrust is certain to be greatly increased by the large volume of cheap silver and United States notes now employed in business, but which under other conditions would accumulate in the money centers, expelling gold and pressing constantly upon the Treasury.

But of far greater concern to the business interests of the country is the proposal put forth to issue what is termed "asset currency" upon the present unstable foundation. Until the water is squeezed out of the existing Government issues, and some of the primary principles governing a sound currency instilled into the minds of those charged with guiding legislation, the introduction of an unsecured credit currency would be little short of a public calamity. Instead of curing any of the real or supposed defects in the currency system it would only aggravate them.

Whether the supply of gold in the country is adequate for the further expansion that would follow the introduction of a credit currency may be fairly questioned; but that matter may well remain in abeyance until the question of more immediate concern is taken up and settled—that is, whether we are to have the gold standard established in fact or not.

Although the act of March 14, 1900, declared gold coin to be the standard, it left the legal-tender status of silver unchanged and provided for the continuation of the coinage of the full legal-tender silver dollar.

The mere legislative declaration that gold shall be the standard, without effective provision for making the declaration good, amounts to little more than an expression of opinion so far as the standard of value and the currency are concerned. The act of March 14, 1900, while containing some features that have been of manifest benefit to the country, did not make the United States a gold-standard nation. We are still on the limping standard, as are France, Belgium and Switzerland. It was, however, because the act of March 14, 1900, took positive steps toward a complete and final abandonment of the silver folly, that public confidence was restored and the remarkable era of prosperity followed, other favorable influences, of course, contributing. And confidence will be further increased by strengthening the foundation upon which our credit system is based, and not by the introduction of the means whereby it may be easily weakened.

A sound monetary system and well managed banks are the best protection against financial panics that can be devised. The continued stability of our monetary system can not be assured while we have in circulation over $500,000,000 of full legal-tender silver, worth less than half its face value, and an additional $346,000,000 of Government legal-tender paper, besides a volume of over $400,000,000 of National bank notes whose methods of issue and redemption are open to serious criticism.

The attitude of Congress toward currency legislation should be carefully watched, as dangerous proposals seem to be regarded with favor in certain influential circles, especially in the Senate. We need only mention the suggestions in the Aldrich bill for substituting State, municipal and other corporate securities for Government bonds as security for public deposits and the permission granted to the Secretary of the Treasury to practically suspend the redemption of National bank notes.

To grant the banks the privilege of issuing asset currency in the present mixed condition of the coin basis of credit could hardly afford the means of staying a monetary panic, but would probably make it much easier to extend inflation beyond prudent limits.

Pending the safe and proper introduction of an asset currency, considerable study might be profitably devoted to some problems not yet clearly understood. First, it might be well to inquire why, with net merchandise exports of over $3,000,000,000 in the years from 1898 to 1903, we have imported but $168,000,000 gold, net.

It will be essential before a safe bank credit currency can be had not only to broaden the foundation, but to determine whether we are to build upon the rock of gold or the shifting sands of silver and Government paper. Until these matters are decided the agitation for asset currency can only result in unsettling public confidence.

THE FIRST STEP IN CURRENCY REFORM, if any serious attempt is to be made this fall to deal with the question, should be an act providing for the gradual conversion of the legal-tender notes into gold certificates, using for that purpose the gold reserve in the Treasury. If this process were carried on over a series of years it could probably be done without the sale of bonds or without any disturbance of business. If the entire $150,000,000 gold reserve were used for this purpose it would not contract the currency to the extent of a dollar. It would be a simple case of substitution of one form of paper for another; but the manifest advantage of a gold certificate is this: it is issued or paid out only when the Government receives the means, coincidently, to redeem the certificate when presented, while a greenback may be paid out for services rendered the Government, for supplies consumed, etc.

In addition to the $150,000,000 gold reserve, there is nearly $100,000,000 of gold in the general fund, which with what would accumulate from time to time, could be used to retire the remaining greenbacks. The legal tenders redeemed out of the gold in the general fund would be cancelled, but it is hardly probable that any diminution in the volume of the currency would result, the place of the greenbacks being filled either by gold or National bank notes.

THE SILVER PROBLEM, too, must be faced sooner or later, and it is to be hoped that Mr. HILL, of Connecticut, will continue the fight he has been making to place the silver dollars upon a subsidiary basis.

Whether a bond-secured bank circulation can be given any adequate degree of elasticity or not, it is reasonably certain that even an asset currency would be greatly hampered by having the channels of circulation filled with silver certificates and Government paper.

But the proper treatment of the legal tenders and silver need not depend upon the real or supposed need of an asset currency. The demand for a scientific handling of these two potentially dangerous elements in the currency rests upon more important grounds. There can be no safer basis of banking than an adequate supply of gold. With that as the basis expansion is held within safer limits than when banking and the currency itself rest largely upon a depreciated base. Compulsory coin payments, on penalty of being summarily closed up, put a wholesome restraint on banking. We have a large and growing supply of gold, but in view of the heavy trade balance in our favor and the swelling of our debts, it should be much greater. The silver, legal tenders and bank notes will all have to be made payable in gold before it will be safe to permit banks to issue asset currency, which of course must also be convertible into gold at the holder's option.

THE RECENT FALL IN THE PRICE OF SECURITIES has undoubtedly given a shock to confidence. The fact that the downward course was arrested proves that there were interests powerful enough as yet to carry the load which has been imposed upon the markets by over-speculation. But this mere arrest of this dangerous tendency does not prove that the situation is not still somewhat critical. The fact that the general business of the country does not appear to have suffered as yet has been felt to be a reason for encouragement and for a hope that the era of prosperity has not yet elapsed. The eagerness with which the products of the country which are as yet unmatured are watched shows how severe has been the blow which has been dealt to the properties represented by certain classes of securities. Whether the wave of prosperity has culminated and the country is now on a declining progress, is still uncertain.

The history of former critical periods in monetary affairs has shown that the effect of such speculative crises may be overestimated. The fall in many of the industrial securities seems to show that while these industries may not be unprosperous, they are not paying well enough to meet the dividend demands that must alone sooner or later determine the value of their capital and bonded indebtedness.

The crippling of any class of capitalists has an injurious effect on the great host of lesser men who depend on them for support. But while the real seriousness of the situation should not be overlooked or belittled, there are in the United States great powers of recuperation, and this spree of speculation may indeed bring the morning headache and regrets, but healthful conditions will return. The lesson may prove of value if it is made the text of a real repentance.

Foreign observers seem at this time to be pessimistic, but their jeremiads are not to be accepted without considerable reserve. The advances which the United States has made in her export trade and the successful invasion of foreign markets have aroused jealous fears. If it is true that we take a secret pleasure in the misfortunes of our dearest friends, how much more is it likely that we desire everything true which seems to point to the impairment of power of business rivals.

SOME SUGGESTIONS MADE in the MAGAZINE in regard to the possible improvement in the use of bank checks so as to fit them for employment as substitutes for bank notes altogether, instead of in part as now employed, have elicited remarks both favorable and unfavorable.

The banks of the United States, restricted in the use of the bank note, have by the use of the check built up deposit banking to an unprecedented extent. The increase of bank deposits represents the effect of banking in placing the property of the nation in a form where it may be instantly available for exchange. The comparison of bank statistics of the past with those of the present, or rather the comparison of bank statistics when the issue of bank notes was almost without restriction, and when as now the banks issued no notes on their own credit, indicates an immense growth in deposit accounts. The growth of the wealth of the country is of course a main factor in this increase, but there can be no doubt that a larger proportion of present wealth is made more easily transferable by present banking methods than the proportion of the wealth of the country that was easily transferable through the earlier banking methods.

It is also probable that the highly differentiated banks of the United States, comprising institutions specialized to meet the wants of every kind of business, and adapted to handling the exchange of all forms of property, encourage to a greater degree the exchangeableness of even the least mobile forms of property to a degree unprecedented in almost any other country. It is also probable that even if the use of the credit bank note had not been abolished by the National banking laws and the ten per cent. tax but had been fully developed, that the increase of the deposit line would not have been so great. Forced to the use of the check as a means of transferring accounts, the banks have found it an efficient means of increasing their importance. But beyond a certain point the development of the use of checks has been stopped by the same cause that has abolished the use of the credit bank note. The people of the country have been accustomed to the employment of checks in business over an expanse of territory and to an extent not known elsewhere. Checks, however, are not used as yet for the minor exchanges, and this is because the law has prevented any attempt to do so. The suggestion that the check might be so developed, if the law did not prevent, as to become a substitute for all forms of money except coin and coin certificates, is criticised by saying that the people are not accustomed to them. This amounts to as much as saying that people cannot swim until they have learned how. But if the banks had a free hand in developing the use of checks for small exchanges, as they have had in developing their use for larger purposes, is it not possible that this difficulty might be easily overcome? But as a fact there are now large sections of the country in which checks are actually used in denominations of the smallest amounts and where the people fully understand their convenience and safety. Nor is it expected that checks will wholly supersede the use of real money, that is coin and notes secured by coin, but merely that they may possibly supply that addition to the currency of the country that so many now think can only be supplied by bank credit in the form of unprotected bank notes.

It is also not wholly without foundation, as the advocates of the bank note suggest, that the check and the bank note alike rest on the credit that creates the deposit account. But after all there is an important difference; the bank deposit must always exist against which the check is drawn, whereas in the case of the bank note there may have been an actual deposit or there may not. A bank with no real deposit line may possibly be tempted to issue and loan notes beyond its power of protecting the notes by a reserve, but a deposit account is the necessary preliminary for the drawing of a check, and the issue of the check depends not on the bank but the owner of the deposit. A bank with a deposit line of, say, $100,000, if the free use of asset currency were permitted, might meet these deposits with notes. By so doing it would change its creditors from depositors to note holders, and would not meet its liabilities, but would have placed its liabilities in a form more likely to press on its reserves than they would have been had the customers used checks to transfer accounts among themselves.

The system of clearing which has made such rapid growth in all parts of the country enables checks to be exchanged and cancelled with a pressure on the reserves much less than would be the case were all transfers made by the use of bank notes. Theoretically the transfer by bank notes or by checks of accounts in the same bank or from one bank to another, amounts to about the same thing. When the bank is running normally as many notes are deposited as are paid out. When, however, notes are paid in they are not cancelled as checks are, and the accumulation of notes tempts the banker to unduly extend loans, whereas cancelled checks do not make him the victim of a belief in fallacious resources.

But the chief reason why a development of the check system would seem to be preferable to the adoption of an asset currency to impart elasticity to the monetary system, is that for almost half a century the banks of the United States have been using checks and have had no experience in the use of asset notes. The bankers of the present day have been accustomed to the use of a paper money all of which rests on the credit of a Government so strong that practically this paper money is the same as gold coin. Practically in this money credit cuts no figure. Practically again the banks are now doing business with checks, and with money, coin and paper, all of which is equal to gold coin. Of course the actual enactment has not been yet made that makes silver certificates and silver dollars payable in gold, but no one doubts that should the necessity arise the Government would strain every nerve to maintain the parity. There can under the present laws be no increase in the volume of existing paper money, except as the price of bonds or the supply of bonds may induce National banks to issue new notes; but inflexibility of the existing paper money has the effect of retaining our gold and drawing new supplies from foreign countries. How would it be were an asset bank currency introduced even with all the stinginess of a timid experiment? No one can tell what the normal amount of money should be at any given time. Certain observations of statistics of the money market show that a given aggregate volume is presumably too great when bank reserves show a tendency to increase so as to reduce the rates for money, and that this aggregate is not sufficient when the contrary conditions prevail. If some all-powerful and all-wise financier, and according to popular opinion there are several of this kind in the United States, were really actuated by a pure desire for the public good and had the legal power to regulate monetary affairs under present conditions, he might by controlling the ebb and flow of gold to and from other countries seek to obtain the desired elasticity. He would however soon know that his power to regulate the ebb and flow of gold would be hampered by the fact that a temporary redundancy of the paper money would increase the outflow, while the cessation of this redundancy would tend to bring it back, and if paper money could be cancelled as it tended to accumulate, the outflow of gold could be stopped.

The fluctuations in wealth and prosperity caused by the good or ill fortune of our products and manufactures would be, at bottom, the cause which would determine the changes in demand for money, and the financial dictator would have to watch very carefully the action and reaction that continually go on between the business circumstances constituting prosperity and the reverse, and the supply of money.

If our present supply of paper money, based practically on gold as it is, may prove by the immobility of its aggregate a serious menace to adjusting the supply of money to the demand, would not a bank-note currency based simply on bank credit, added to our present supply, render the situation more difficult. Of course, theoretically, this new bank-note currency would be subject to cancellation, and those who advocate it seem to assume that it would thus furnish the elasticity required, but to effect this theoretical cancellation of these notes when they prove redundant has always been the point of difficulty. To effect this with the system of banks now doing business in this country is thought by many to be an impossibility. Even our assumed financial dictator could accomplish the needed redemptions with difficulty if at all, and what would be the result when left to the tender mercies of the conflicting interests of the money market?

Some extension of the use of checks, which from their nature bring about their own cancellation, would seem to be a solution of the difficulty without any great change in our present paper currency. Such change in our present currency should be in the direction of bringing it into a still greater similarity to a gold certificate.

A PLAN FOR JOINT-METALLISM is put forth in an essay recently published by RIKITARO FUJISAWA, of Tokio, Japan. The essence of the plan is to permit holders of gold bullion when depositing it at the mints for coinage to deposit at the same time an amount of silver bullion not to exceed twenty per cent. of the gold brought to the mint. This silver is to be coined at a fixed ratio of 40 to 1; that is, the silver coins are to be of full market value, as distinguished from the present subsidiary coins and those of full legal-tender powers whose values have depreciated or are artificially sustained. These new coins are to be a legal tender for all debts of £10 and under, and for twenty per cent. of larger sums. Both the amount of the coinage and the quantity to be tendered in payment are to be subject to international regulation.

The principle relied on by the author of these proposals is that of limited coinage and limited debt-paying powers; no provision is made for gold redemption of the silver coins, which would probably not be necessary while the market value of the two metals corresponded to the coinage ratio. If, however, the new scheme did not arrest the decline in the value of silver, difficulty would arise. Doubtless Mr. FUJISAWA hopes to meet such a contingency by the provision for regulating the amount of silver that may be coined and the sum that may be tendered in payment of debts.

It is suggested that the change to a gold standard would be impracticable in China and some of the other silver-using countries which offer great commercial possibilities if effective measures are taken to check the depreciation of the metal now comprising their monetary standard. The desire for the extension of Oriental trade may lead the western nations to take an active interest in a problem which otherwise would be regarded as purely one of domestic concern.

THE AMERICAN BANKERS' ASSOCIATION held its annual convention in San Francisco eleven years ago. This fall the delegates will meet there again. The bankers of the city of the Golden Gate are taking measures that no shortcoming of theirs shall render the meeting less than a success.

The work of the association is occasionally heard of during the year. For the most part it is of a quiet and educational nature, endeavoring to cultivate the *esprit de corps* of the banking community and to teach the isolated banker, immersed in his local business, that he belongs to a truly great tribe. Once a year, at this annual convention, the association breaks out into full bloom and reveals to the public the results of its silent efforts.

In the last eleven years the association has increased wonderfully in the number of its members and in its capacity for fulfilling the objects of its organization. This is the twenty-ninth annual anniversary which has been thus celebrated. The first years of the association's existence were comparatively uneventful. The success of the association in uniting bankers and doing away with a certain aloofness of spirit that had prevailed before the organization was thought of, manifested itself in the organization of associations composed of bankers within State lines. Strange as it may now seem, the organization of State bankers' associations had at first a detrimental effect on the organization which drew its members from all the States. There were jealousies aroused which at one time seriously affected the prosperity of the parent association. Sometimes considerable feeling was exhibited at the annual conventions over the election of officers, due to a struggle to secure the recognition of the State associations and give them a larger influence in the management of the American Bankers' Association. This difficulty was gradually overcome, and with the growth and increasing solidity of the central organization has been more and more assured.

A great factor in the success of the association during the last eleven years has been the protective department, which has run to earth many of the burglars and forgers and other criminals who seek to make the banks their prey. A membership in the association is to the average bank an almost perfect burglar insurance and an almost equal protection against the operations of forgers. The whole power of the organization, and this is not small, is pitted against the man who seeks to rob banks which are members. The annual reports of the protective committee are interesting documents and give an insight into that underworld in which the bank criminal seeks to find a precarious livelihood. Indirectly this branch of the association's work throws its shield over all the banks of the country, whether members or not, by removing from their hunting-grounds these human prowlers.

But in addition to this very obvious benefit conferred, the association, by its educational work among the employees of banks, is raising up for itself elements of future strength. There are other important lines in which the association is engaged, all of them conducive to the main object, which is to encourage and foster unity and good feeling among the banking guild. It has often been urged in criticism that the annual conventions of the organizations were more calculated for social enjoyment than they were for carrying out the business and literary parts of the programme. But as social enjoyment, at least to the necessary degree to promote personal acquaintance among bankers, is in strict accordance with the provisions of the constitution, this criticism seems to be entirely wasted. There is no gathering where an ambitious banker can more easily or legitimately bring himself to the notice of his fellows. Personality here enjoys whatever it deserves. Another criticism that has frequently been made is that the conventions are not democratic. This is disproved by the fact that the wealth and resources of a bank have little to do with its representative attaining some of the prizes of the convention. The power to address the convention strikingly and agreeably has more to do with receiving nominations for office than mere banking prominence.

Perhaps the most important report in the public eye which will come up before this convention will be that of the committee appointed to draw up a plan for a bank currency. Whether this committee is as yet ready to make a complete report, is not known. If, however, the matter comes before this convention an interesting debate may be expected.

The growing numbers of the association require greater and greater accommodations at its conventions. At some of these held of late years there were some complaints that hotel room was insufficient. From the announcements made from San Francisco it is obvious that no such difficulty will be encountered there. The arrangements for transportation all seem to be progressing and to afford the most certain promise of pleasant tours across the continent.

FRANCHISES GIVEN BY MUNICIPALITIES to permit companies for the construction of works beneficial to the public are of late years the subjects of continued controversy, political and otherwise. These controversies grow out of the increasing value of the franchises as the municipalities grow in population and wealth.

As it is impossible to foretell what may happen in the future, it is easy to understand how the growth of cities has often increased the value of the street-car lines beyond all expectation. It is also not difficult to understand why the possessors of these franchises desire to make as much as possible out of them and that to avoid taxation as well as the envy and hostility which always manifests itself toward good fortune, the companies conduct their accounts so as to show themselves in as poor a condition as possible. The franchises that have increased in value are the ones that attract the most attention; the failures are objects of less conspicuous interest on the part of the public, and yet there are probably as many failures in this line as there are successes.

The successful possession and use of rights and powers granted by municipalities calls for the concealment of their true value as far as possible. As the income increases so as to make the dividends on the nominal capital or bonds an object of envy, the course taken is to increase the stock by the process known as watering. The diluted stock does not show up so conspicuously, and the smaller per cent. of return on it affords a basis for the plea of poverty when taxation or even betterments of public accommodation are in question.

Much of this opportunity for concealment of the value of franchises arises from the habit so prevalent in this country of looking at principal more than upon income. In England and France, and in most countries on the Continent of Europe, wealth is measured more by the income than by the principal. A rich man is measured by the number of pounds or francs he has per year. To speak of millionaires or multimillionaires is an American custom which it is true is now more or less imitated abroad. It sounds more magnificent to say a man has a million or two millions, rather than to say he has an income of thirty or sixty or one hundred and twenty thousand dollars a year. One man may have a million invested in Government bonds and receive only an income of about thirty thousand dollars or less; another may have a million invested in stocks or bonds bringing five or six per cent., his income being fifty or sixty thousand. Another may have a million invested in business and may have an income of one hundred or two hundred thousand a year. They are all millionaires but not by any means on the same footing.

The public debt of the United States and all other securities are estimated on the basis of principal rather than of productive income. A man abroad is said to have so many pounds or francs or marks income from consols, rentes or other public funds. Here he has so many bonds or securities of such and such a face value, which is no indication necessarily of what they really are worth.

Of course the experts of the money market understand all about this and govern themselves accordingly. They reckon income as the real basis of value by which they estimate premiums and face value. But the system of talking of possessions in principal is deceptive and misleading to the general public, and fails to give an accurate statement of the real financial situation of individuals or companies.

The recent estimate of the losses of rich men are all vitiated by this system of estimate. When the price of securities fluctuates the principal may apparently swell or shrink, but the income does not materially change. Neither the losses nor gains of the ordinary holder of investments can be estimated in this manner.

If the value of the franchises of the companies amenable to taxation were estimated by earnings, by the actual gross income, there could not be so much concealment and evasion.

Congress requires of the National banks a semi-annual statement of their earnings, their expenses and losses, and no one need be in error as to the true value of bank capital. It is the earning power of capital that fixes its real principal value, and not the assumed face value which fixes the earning power and resulting net income. Of course it may be expected that the possessors of profitable municipal franchises will always be on the alert to make these profits appear as small as possible. Even if the right to have accurate returns of gross income was required by law some way of concealment could no doubt be devised. It would, however, be more difficult to do so, and public intelligence would find it easier to detect these devices. Less would be heard of watered stocks and dishonest speculators and promoters would have less chance to gull a confiding public.

It is believed that the principal value of securities would rise and fall more within reason, if the investing public could be educated to the habit of mind, which of course is that of successful financiers, of looking at income rather than principal. It is not hoped that a change in the point of view can be rapidly brought about. It is a matter of custom and education. Nor would it put a stop to extravagant speculation. This will always crop out at times, and it is prevalent whatever the custom of the country in estimating the value of securities.

The manner of looking at investments in public funds in European countries as a matter of income rather than of principal has done much to educate the people there in correct financial views. It would not be a bad thing if our Government should gradually make a change in this direction.

THE LOW RATES FOR MONEY indicate a plentiful supply. Whether this is due to the comparative cessation of effort on the part of the promoters of speculative enterprises due to the setback received from the fall in the price of securities, or to the falling off of the business of the country, is a question. Rates for money are reasonable at the money centers and at the same time the reserves of outside banks, especially in the West, are growing.

The indications point to the fact that the temporary approach to panic rates in midsummer, at a usually dull season, were due to both foreign and domestic lack of confidence in a large number of securities that were seeking absorption by the investing public. The holders and underwriters who were carrying these securities in hope of their being taken off their hands required large sums to keep up their margins and meet or arrange the loans they had made as underwriters. If there had been no such extraordinary demand the amount of money available would have been adequate for all normal business. The talk of the necessity of expansion of the currency under sudden speculative flurries at the money centers always arises. It would be very nice for speculators of all kinds if there were a way of creating unlimited supplies of what might for a time pass as money, whenever a pinch came. The relief which has since been felt is much more genuine than if it had been brought about by the use of a temporary credit currency. Even if the pinch had continued there is reason to believe that it would have been relieved by gold imported from abroad. Although the rates for foreign exchange have been close to the point of importation since the relief of the security market, there seems to be no necessity for more gold at present, although the general feeling is that it could be had if required.

The consultations in high quarters over financial legislation show how sensitive the political nerve is to any circumstance or rumor which seems to point in the direction of adversity. But with the coming of the present feeling of encouragement the talk of financial legislation will probably grow more faint. This encouragement grows stronger as it is discovered that relief from a serious situation was secured without Government help and by the use of the monetary resources on hand. In fact, while such shocks are to be deplored, and while it is perhaps too soon to conclude that the evil consequences of this particular shock have as yet all come to light, yet these difficulties are tests of strength and show whether the monetary system needs relief. Even if Congress should adopt the plans of some currency reformers who claim that by an automatic issue of credit bank notes stock-market panics could be greatly ameliorated, yet no one would be able to prove this claim except by actual test. The present system of currency has shown that it is able to take care of the situation of last month, without any of the subsequent evils that might have followed and which many claim would follow the sudden injection of a credit currency issued for such special occasions. The soothing influence of the temporary supply of money might lull the patient so that he would forget the danger he was in. Speculation injurious to the public might be encouraged to continue until the last condition might prove beyond relief. As it is the financial public seem to have escaped the danger, but had such a narrow escape and so close a view of the peril that they are inclined to a wholesome repentance, which of course will last until the next time.

THE OUTLOOK FOR FINANCIAL LEGISLATION.

The President seems to be inclined to call an extra session of Congress to consider, among other important matters, the necessity of financial legislation. From a political standpoint it is essential that every precaution should be taken to prevent the unsettlement and disturbance of business conditions which have seemed to be inseparable from the year of the presidential election. It is plain that if the country passes through the fall without any symptoms of serious break in the general prosperity, the dominant party will have less difficulty in maintaining its position. There have, however, been warnings that it might be unwise to rely too implicitly on present appearances. The breakdown in speculative and promoting circles, while it seems to have been measurably repaired, has attracted renewed attention to the weak points of the monetary laws. Many symptoms have been visible that the lack of power to enlarge the volume of the paper currency might possibly place a check on legitimate enterprise. Whether it is as yet conclusively proved or not that the best way to impart greater elasticity to the volume of money is by enlarging the note-issuing functions of the banks, the advocates of what is called an asset currency have been so positive and insistent that there is a general popular impression that they are right. They are positive enough to be correct.

Despite the serious objections that have been made by the critics of the use of bank credit in this way under the system of banks in the United States, yet there is a great temptation to try the experiment, from a political standpoint.

There is little doubt that the first effect of permitting the banks to issue a credit currency would be to maintain the present high tide of enterprise. In other words, unfavorable conditions in the money markets might, for a considerable period, be suppressed or at least obviated by the injection into the circulation of an asset currency. An increase in the monetary volume is at first productive of relief. Whether the increase is gold, or new issues of bank currency based on bonds, or silver certificates, or greenbacks, or asset currency, the first effect would be to stimulate weakening trade. It is the subsequent conditions resulting from this artificial stimulation that are really the subjects of the greatest concern. When gold is employed to meet the demand for more currency the natural laws of trade provide for the withdrawal of any surplus from circulation. This is not the case with paper currency based almost wholly on credit. The gold supply is regulated by the demands of the markets of the whole world. The supply of credit paper is regulated by the demand of the country in which it is issued. When the supply of paper becomes redundant, if its credit still continues good, it remains in circulation to stimulate unhealthy speculation; if its credit is shaken, the demand for redemption aggravates the tendency to panic and crisis.

Under the renewed and reiterated asseverations of the asset currency advocates the minds of the general business public have been favorably affected towards these issues, and with this favorable state of public opinion the temptation to politicians to use again this remedy to tide over the financial dangers of the presidential year will be very great indeed. It is to be hoped that the President will not be led into recommending any currency plan in which the method of retirement is not as surely foreseen and provided for as the method of issue. Easy is the descent, but the toil, labor and suffering come when unwise steps have to be retraced. The financial history of the country should impress everyone with the difficulties which surround the withdrawal of paper currency once issued. Without going further back than the period of the Civil War, the legal-tender notes of that period are still with us, and hardly now does any legislator or statesmen advocate their unqualified retirement. The silver certificates are even more firmly intrenched. The National bank note, based on bonds, stands as yet firmly in the way of improvement.

These three defective forms of paper currency ought to be a constant and solemn warning against putting out a fourth form until every precaution is taken that another mistake shall not be made. As to an asset bank currency, its advocates assure the public that it must be safe and elastic; that is, automatic in its redemption and reissue, but the methods and principles which are to insure elasticity are vaguely stated, and by experts believed to be inadequate.

As has been said, the positiveness of assertion as to asset currency being a panacea for existing financial ills has impressed the popular mind, but it has made no such impression on the minds of the majority of the bankers who are the class best qualified to judge. The general consensus of the bankers of the country is not as yet in favor of an asset currency. The plans so far proposed involve the injection into the money of the country of an element of credit different from that to which bankers have become accustomed in their business of the last forty years. They are opposed to this as they were generally to the injection of a larger element of credit into the basis of the legal tenders, the silver certificates and the Treasury notes. In fact, the struggle has during the last forty years been to bring the paper money of the United States to the condition of a gold certificate, by the increase of security and reserves. The proposition to introduce an asset bank currency is a departure from this course of evolution. But whatever the President recommends, the question will have to be threshed out in Congress. It is said that the Senate is the controlling factor, and the Senate of late years has been less sound on monetary subjects than the House. But when the House realizes, as it must when the advisability of introducing an asset currency is brought before it, how deeply the bankers are interested, measures of this kind, even if receiving the approval of the Senate, will be severely scrutinized.

School Savings Banks.—J. H. Thiry, of Long Island City, N. Y., has just published the eighteenth annual report of the operation of School Savings banks in the United States. The School Savings bank system is now in practice in 797 schools of eighty-five cities of twenty-one States in America, and the scholars of those schools have saved $2,138,747.57 of which $1,616,-780.74 has been withdrawn, leaving a balance of $521,966.83 due depositors to January 1, 1903.

THE CONCENTRATION OF BANKING CONTROL.

The "Atlantic" for August contains an article on the concentration of bank controlling interests by Prof. Charles J. Bullock. The conclusion arrived at by the Professor is that such concentration cannot to any serious extent influence the general extension of banking facilities to the public under the system of free National and State and private banks. This control of a number of banks more or less powerful, whether manifested by consolidation or affiliation, means that some powerful clique of capitalists or business men need larger banking facilities in their business, and they therefore seek to own or control the policy of the banks for their interests, just as they own or control the policy of their manufactories, railroads and other producing agencies.

But apart from the larger scale on which such banking control is exerted there is nothing new about it. There is hardly a bank in the country, little or big, that was not started with the view of benefiting the business of the men who organized the banks. The directors of the banks are generally successful business men in their community, and they are the largest and safest borrowers from their own banks. The suggestion has been made that a law should be passed restricting directors from borrowing from their own banks. If this proposal should be adopted a great blow would be struck at the prosperity of our banks. Of course when a bank fails the directors are commonly somewhere in evidence in the wreck. Naturally their business and fortunes are bound up with those of the bank. The so-called combinations and consolidations of banks and their control by certain interests are merely a growth of the principle which has built up the banking power of the United States.

There is perhaps a certain phase of what is called monopoly in these great aggregations of banking power under one control; but this is merely the advantage that greater power has over less. This strong aggregation frees itself from competition by being able to do something that the ordinary bank cannot do. But there is a distinction that may be made between a combination of banks and many of the industrial combinations. The bank combination became necessary because there were industrial or other combinations already in existence which required a powerful instrument. The weight was there and the powerful lever to move it had to be made. Many of the industrial trusts seem to have been formed, not because there was any special requirement for them, but in the hope that they would find somehow the work they were calculated to do. Some seem to have been disappointed in this expectation.

The difference between monopoly banking and free banking, as we see it in the United States, is so greatly to the advantage of the latter when real services to the business public are compared, that anything which appears to savor of monopoly at once attracts attention and tentative disapproval. But there is no real monopoly in the banking control adverted to. A great company, like the Standard Oil, for instance, requires great banking facilities under its control, just as it requires great facilities for storage and transportation. Whatever its policy in one case is its policy in the other. But if there are other great companies or capitalists who require banking facilities as great, there is nothing in the constitution or laws which prevents them from effecting such a combination of banks as may furnish them.

There is considerable sympathy wasted on the imaginary depositors whose money goes to make up the funds which are said to be controlled through these combinations of banks. It is asserted that the great borrowings of the controlling interest prevent these customers from obtaining their due proportion of accommodation. This seems puerile. A depositor can draw out his funds when he pleases and put them where he can best serve himself. The great banks have probably very few accounts which they retain by force, as it were, of their malign influence. People keep their accounts there because they see their advantage in doing so.

In the control of all our banks by the people who are the best users of capital lies the secret of the prosperity of our banks, and through them of much of the prosperity of the country. The difference between the free banking prevalent in the United States and a monopolistic system of banks consists in the fact that where the monopolistic system prevails the business men cannot control their banks or dictate to them when they desire loans to the same extent that the business men of the United States can. It may be said that the monopolistic system is the safer. In some respects no doubt it is. But the man with the single talent who buried it in a napkin, to preserve its bloom we suppose, although he was safe, did not make as much money as the man who kept his ten talents in circulation.

The excess of profits to the banks of the United States and their customers far offsets any losses that can be ascribed to the freedom of the system. With individual banks it is only through consolidation or affiliation that the necessary power can be obtained for the great transactions which increase in number as the country grows in wealth. That these aggregations of banking capital can be successfully made and applied shows the vitality and adaptability of the system of independent banks. In fact, the individual weakness of our banking institutions has been one of the points which has often been assailed by adverse criticism. That they are as a rule individually too weak to indulge in some of the expedients used by stronger institutions may be admitted. But these expedients are the most dangerous of any employed in banking, and some very strong banks have met disaster by their use. The restrictions imposed by our system on too reckless a development of credit probably not only conserves the banks' interests but they are likewise a great benefit to the business men generally, as they diminish the advantage which the exclusive dealer in money is apt to have over the business men in other avocations. A banker gains sufficient advantage in handling and distributing the wealth of the area his bank drains, for the benefit of that area, without having the additional advantage of creating money based on the credit which accrues to him from his position. This power of distributing credit without reference to the proportion it bears to actual wealth is apt to cause loss by the seeking of outside investment to the neglect of home resources. One of the problems of modern finance is to control the use of credit. It is like the genius who expands when released from his bottle, with no limit to his cloudy stature, but who shrinks back into his insignificant receptacle, upon the most frivolous representations.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

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

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

LIABILITY OF BANK FOR REFUSAL TO PAY CHECK—AMOUNT OF DAMAGES.

Supreme Judicial Court of Massachusetts, Suffolk, June 17, 1903.

WILEY vs. BUNKER HILL NATIONAL BANK.

A bank is bound to honor checks drawn upon it by a depositor if it has sufficient funds belonging to him when the check is presented, and the funds are not subject to any lien or claim, and for its refusal or neglect so to do, it is liable to an action by the depositor.

The depositor may recover for the damages that are the natural and reasonable consequences of such refusal, and special damages may also be recovered, if they are properly alleged.

In the case of a trader, injury to his credit may be inferred from the fact that he is a trader, and substantial damages may be awarded upon proof of that without anything more.

In the case of a person who is not a trader, if no special damages are alleged or proved, nominal damages at least may be recovered.

This was an action to recover damages for the refusal by the defendant to honor certain checks drawn on it by the plaintiff against a deposit subject to check which he had with the defendant, and which was more than sufficient to meet the checks so drawn when presented. There was a verdict for the plaintiff, and the case was taken up on exceptions by the defendant to the refusal of the presiding judge to give certain rulings asked for by it, and to the giving by him of certain rulings requested by the plaintiff.

MORTON, *J.:* A bank is bound to honor checks drawn on it by a depositor if it has sufficient funds belonging to the depositor when the check is presented and the funds are not subject to any lien or claim, and for its refusal or neglect to do so it is liable to an action by the depositor. (Nat. Mahaiwe Bank vs. Peck, 127 Mass. 298; Carr vs. Nat. Security Bank, 107 Mass. 45, 48; Dana vs. Third Nat. Bank, 13 Allen, 445, 448; Marzetti vs. Williams [1830] 1 B. & Ad. 415; Rolin vs. Steward [1854] 14 C. B. 495; Am. Nat. Bank vs. Morey [Ky.] 69 S. W. 759; Hopkinson vs. Foster [1874] L. R. 19 Eq. 74; 2 Parsons, Notes & Bills [1st Ed.] 62, 63; 2 Daniel on Neg. Instr. [3d Ed.] § 1643; 5 Am. & Eng. Ency. of Law [2d Ed.] 1059, 1060.)

The cause of action, though sometimes spoken of as in the nature of a tort, arises out of a breach of the contract implied from the relation of the parties that the banker will honor the checks of the depositor, and the party aggrieved may recover, as in other cases of a breach of contract, for the damages that are the natural and reasonable consequences of the breach.

Special damages may also be recovered if they are properly alleged. (Marzetti vs. Williams, *supra;* Rolin vs. Steward, *supra;* Hopkinson vs. Foster, *supra;* Prehn vs. Royal Bank [1870] L. R. 5 Eq. 92; Larios vs. Bonany y Gurety [1873] L. R. 5 P. C. 346; Fleming vs. Bank of New Zealand [1900] A. C. 577; Patterson vs. Marine Bank, 130 Pa. 419, 433; Schaffner vs. Ehrman, 139 Ill. 109; James vs. Cont. Bank, 105 Tenn. 1; Svendsen vs. State Bank of Duluth, 64 Minn. 40; Am. Nat. Bank vs. Morey [Ky.] 69 S. W. 759; Robey vs. Oriental Bank, 2 S. C. R. [N. S.] New So. Wales, 56, 63.)

In the case of a trader, injury to his credit may be inferred from the fact that he is a trader, and substantial damages may be found and given upon proof of that fact, without anything more. In the case of a person who is not a trader, if no special damages are alleged or proved, nominal damages at least may be recovered. In the present case the declaration alleges that the plaintiff was and had been a trader engaged in the business of buying and selling coal and wood in Charlestown, and there was evidence tending to show that his business amounted to $150,000 yearly. It was competent, therefore, for the jury to find and award substantial damages, and the ruling requested, that the plaintiff could recover only nominal damages, was rightly refused, unless the rulings requested in regard to set-off should have been given. For reasons already given, the first request was also rightly refused, as was also that part of the second which sought to limit the defendant's liability to the amount of the plaintiff's funds in its hands, or to the amount of the check or checks that were refused payment. The rest of the second request was given.

The remaining question relates to the right in equity of the defendant to set off, by reason of the plaintiff's insolvency, against the deposit, two unmatured notes made by the plaintiff and discounted and held by the defendant. This is an action at law, and the defendant concedes that there is no right of set-off at law. But it contends that, the plaintiff being, in fact, insolvent at the time when the checks in question were drawn and presented, it had the right in equity to refuse payment, and to apply the deposit to the notes held by it against the plaintiff, notwithstanding they had not matured. No question is made as to the defendant's right to deduct the demand notes from the plaintiff's deposit, but the plaintiff contends that neither in equity nor at law had the defendant the right to set off the notes that were not due. It is to be observed that the answer does not, in terms at least, aver that the defendant had a right to an equitable set-off, and acted thereunder, though it alleges that the plaintiff was, in fact, insolvent prior to the presentment of the checks. But this objection has not been taken. At the time when the defendant refused to pay or honor the check in question, no proceedings had been instituted by or against the plaintiff to have him adjudged insolvent. He had not made the common-law assignment which he subsequently made. For aught that appears, he was in good standing and credit, and could have gone on indefinitely as he had been going on, unless confronted with unfavorable conditions. The defendant required him to make a statement of his assets and liabilities, which he did, and thereupon, it appearing that his liabilities exceeded his assets, the defendant decided that he was insolvent, and refused to honor checks which he had previously given, and claimed the right to set off the unmatured notes against the deposit. If proceedings in insolvency or bankruptcy had been instituted by or against the plaintiff at or before the presentment of the checks, or even if the plaintiff had made an assignment at common law for the benefit of his creditors, the case would no doubt have stood differently.

The defendant has cited many cases, including several from the Supreme Court of the United States, in which it contends that the doctrine of equitable set-off has been applied in favor of banks and others under circumstances similar to those in this case. The last case cited from the United States Supreme Court is Scott vs. Armstrong, 146 U. S. 499. It was there laid down that where mutual credits and obligations have grown out of and are connected with the same transaction, insolvency on the one hand will justify setting off, in equity, the debt due upon the other. The Chief Justice said, in the course of the opinion, "In the case at bar the credits between the banks were reciprocal and were parts of the same transaction, in which each gave credit to the other on the faith of the simultaneous credit, and the principle applicable to mutual credits applied," and it was held that, under the circumstances there shown, there was a right of set-off in equity. The case would hardly seem to warrant the broad rule contended for by the defendant. But without undertaking to review all the cases cited by the defendant, and conceding, as the defendant contends, that the right of equitable set-off exists independently of statute and of insolvency or bankruptcy, we think that the present case is concluded by Spaulding vs. Backus, 122 Mass. 553. In that case the Court said : "Whatever may be the rights of a party whose debt is due and payable to compel an insolvent debtor to set off a claim against him not due—which question we are not called upon here to decide—we are clearly of opinion that a party whose debt is not due has no equitable claim to have it set off against a debt of his own, already due, in the hands of a party who is insolvent."

It seems to us that this is decisive of the case before us. (See, also, *In re* Commercial Bank Corp. of India and the East Smith Flemings & Co.'s Case, L. R. 1 Ch. App. 538.)

It is to be observed that the jury returned a verdict for the plaintiff, and they must be taken to have found that he was solvent, according to the usual meaning of that term (Thompson vs. Thompson, 4 Cush. 127; Lee vs. Kilburn, 3 Gray, 594; Peabody vs. Knapp, 153 Mass. 242), at the time when his checks were dishonored.

Exceptions overruled.

FRAUD IN PROCURING SIGNATURE TO PROMISSORY NOTE—WHEN INSTRUMENT VOID IN HANDS OF BONA FIDE HOLDER.

Supreme Court of Nebraska, June 3, 1903.

SHENANDOAH NATIONAL BANK vs. GRAVATTE.

When the signature of an illiterate person is obtained to a promissory note, by the payee fraudulently inducing him to believe that he is signing an instrument of an entirely different character, without any fault or negligence of the maker, the note cannot be enforced, even in the hands of a *bona fide* holder.*

*This rule has probably been changed in those States where the Negotiable Instruments Law has been adopted. That statute provides:

"A holder in due course holds the instrument free from any defect of 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."

This general language would seem to cover such a case as that stated in the syllabus.

This was an action on a promissory note, alleged by the plaintiff to have been executed and delivered by the defendant Pfeifer to his codefendant, and afterwards, in the usual course of business, before maturity, and for a valuable consideration, indorsed and delivered to the plaintiff. The defendant Gravatte made default. Pfeifer filed an answer, admitting that he signed and delivered the instrument, but alleging that his signature thereto was obtained by fraud, in that the agents of the payee falsely and fraudulently represented to him, at the time he signed the instrument, that it was merely a receipt for fruit trees; that he relied upon such representations, and believed them to be true, and was thereby induced to sign the instrument. The fraud in procuring the note, and the negligence of the defendant Pfeifer in giving the same, were the only questions presented to the jury by the court. The jury returned a general verdict for the defendant Pfeifer, and judgment was given accordingly.

ALBERT, *C.* (omitting part of the opinion): The sole contention of the plaintiff in this court is that Pfeifer, in signing the instrument, was guilty of negligence, and that, therefore, the defense of fraud is not available as against the plaintiff, who, on the face of the record, must be held to be a *bona fide* holder of the note.

In support of this contention we are cited to Dinsmore vs. Stimbert, 12 Neb. 433, 11 N. W. 872, wherein this court held that, to enable a party to resist the payment of a negotiable note in the hands of a *bona fide* purchaser, on the ground that it was procured through fraud and circumvention, the maker must show that he is not chargeable with any laches or negligence, or misplaced confidence in others. The last clause, "or misplaced confidence in others," states the law a little too strongly against the maker, and perhaps stronger than the Court intended to state it, because in the second headnote the Court says that in such case the jury should be told that, to make the defense of fraud available, the defendant must show that he was not guilty of any negligence in signing the paper. If full effect were to be given to the clause, "misplaced confidence in others," it would preclude the defense of fraud in all cases where the maker of the note is tricked into signing it, because in all such cases there must necessarily be the element of misplaced confidence.

That the defense of fraud is not precluded in all such cases is clear from the holding of this court in Willard vs. Nelson, 35 Neb. 651, 53 N. W. 572, 37 Am. St. Rep. 455, where the rule is thus stated: "When the signature of an illiterate person is obtained to a promissory note, by the payee fraudulently inducing him to believe that he is signing an instrument of an entirely different character, without any fault or negligence of the maker, the note cannot be enforced, even in the hands of a *bona fide* holder." Such is the rule generally given by text writers. (Daniel on Negotiable Instruments, § 849; Randolph on Commercial Paper, § 1893.)

That being the rule, and as the question of negligence was one for the jury, the only question presented is whether the evidence is sufficient to sustain a finding that Pfeifer, in signing the note, was free from fault and negligence. The plaintiff relies on the testimony of Pfeifer himself to show that he was guilty of negligence. His testimony shows that he is a man 73 years of age, that he is a German, understanding the English language imperfectly, and unable to read it at all.

His evidence also shows that the payee of the note had previously induced him to sign an order for some $300 worth of fruit trees upon the false and fraudulent representation that he was signing an order for $20 worth. This, the plaintiff contends, was sufficient to put Pfeifer on his guard in subsequent dealings with him.

But while the evidence shows that the note in question was signed subsequent to the foregoing transaction, and after Pfeifer had learned of the fraud practiced upon him therein, it also shows that Gravatte was not present when the note was signed, but that it was presented to Pfeifer for his signature by Gravatte's agent, who was accompanied by a real estate agent, who spoke and wrote both English and German, and appeared at the time to be disinterested. When the note was presented to Pfeifer for his signature, according to his testimony, Gravatte's agent represented that it was merely a receipt for the "head man," and was necessary in order to get some trees which Gravatte had agreed to furnish Pfeifer to replace some previously delivered, which had died. The real estate agent examined the paper, and confirmed the agent's statement as to its nature, and assured Pfeifer that it was all right. Upon these representations Pfeifer signed the instrument.

Assuming that this testimony is true, as we must, for present purposes, we do not think it can be said, as a matter of law, that Pfeifer was guilty of negligence in signing the instrument. In fact, he did what most men would have done under like circumstances. He availed himself of the best and only means at hand for informing himself of the contents of the paper. We think the evidence was ample to warrant the submission of the question of negligence to the jury, and to sustain a finding that Pfeifer was free from fault and negligence in signing the note.

It is, therefore, recommended that the judgment of the district court be affirmed.

Barnes and Glanville, *CC.*, concur.

PER CURIAM: The conclusions reached by the Commissioners are approved; and, it appearing that the adoption of the recommendations made will result in a right decision of the cause, it is ordered that the judgment of the district court be affirmed.

POWER OF SAVINGS BANK TO HOLD STOCK OF OTHER BANK—LIABILITY.

Supreme Court of Nebraska, May 20, 1903.

HILL vs. SHILLING.

A Savings bank organized under the laws of Nebraska, may acquire title to shares of stock of another bank, where such stock is taken in compromise or discharge of the indebtedness of an insolvent debtor, and where no circumstances casting suspicion on the transaction are shown, but it fairly appears that the directors of the bank acted in good faith, and in the belief that the acceptance of the stock was for the best interest of the bank.

After acquiring the stock, the Savings bank becomes subject to any liability thereon the same as other stockholders.

(Syllabus by the Court.)

The Merchants' Bank, of Lincoln, became insolvent, and was placed in the hands of a Receiver. After exhausting the assets of the bank, the claims allowed against the same being still unpaid, the court directed the Receiver to institute suit against its several stockholders to enforce their liability upon their respective shares of stock. The Lincoln Savings Bank and Safe Deposit Company was also in the hands of a Receiver, and, among the assets reported by the Receiver were thirty shares of $100 each of the stock of the Merchants' Bank.

The Receiver of the Merchants' Bank, in compliance with the order of the court, commenced this action against the Receiver of the Savings Bank and Safe Deposit Company, and other stockholders of the Merchants' Bank, to recover upon the statutory liability of said stockholders, and obtained judgment against the Savings Bank and Safe Deposit Company in the sum of $3,575.90. The parties stipulated the evidence upon which the case was tried, and the circumstances under which the Savings Bank became possessed of the stock were agreed upon as follows:

"That on September 27, 1892, one D. L. Brace was the owner of thirty shares of stock in the plaintiff bank, and on said day he borrowed, and the defendant bank loaned to him, the sum of $2,500, evidenced by a note of that date due January 1, 1893; that said note was payable to the order of the defendant bank, and signed by D. L. Brace, the bank taking said shares of stock as a collateral to the said note; that on February 23, 1893, by mutual agreement between said D. L. Brace and the defendant bank, the said thirty shares of stock belonging to said D. L. Brace were taken up and canceled by said plaintiff bank, and the thirty shares of stock involved in this action were issued and delivered to Mr. Miller, the secretary of the bank, as hereinbefore agreed, with the mutual understanding between said D. L. Brace and the said defendant bank that, at any time when he could pay said $2,500 note and interest thereon, he could take up, and the said bank would surrender to said Brace, said thirty shares of stock; that the court shall take and accept of these facts, and consider the same as evidence in the case. It being further agreed that D. L. Brace, above-named, was on February 23, 1893, and ever since has been, insolvent, and that the stock referred to was listed by the Receiver, J. E. Hill, as the property of said Lincoln Savings Bank, and that no dividends have been paid upon said stock since February 23, 1893."

Article 3 of the charter of the Savings bank is as follows: "The business to be transacted, is receiving money on deposit, paying interest thereon, investing the money of said corporation in bonds, notes, mortgages and other securities, the renting of vault boxes, and receiving and keeping in the vaults of said corporation, papers, securities, and such other valuables as may be deposited with said corporation for safe keeping; the purchasing or renting of such real estate as may be necessary for a place or places of doing and transacting the business of said corporation, and selling, leasing, mortgaging or otherwise disposing of real estate so acquired."

DUFFIE, *C.:* The plaintiff in error insists that by its charter the bank was restricted in its business to receiving money on deposit, paying interest thereon, investing its money in bonds, notes, mortgages and other securities, and that it had no authority or power to invest in stocks or to become a stockholder in another corporation, and thus endanger or place in jeopardy the savings of its depositors. Bank of Commerce vs. Hart, 37 Neb. 197 is relied on as an authority for this position. It was there held that a banking corporation organized under the laws of this State had no power to become a stockholder in an insurance company. The opinion shows that Hart was indebted to the bank in the sum of $20,000, and, when sued upon his note, claimed to have made payment of something over $14,000 by a sale to the bank of certain shares of an insurance company through one Johnston, its Cashier. Accepting the theory of the transaction as given by Johnston as true, and that a sale of the stock had been made, the question fairly arose whether a banking corporation organized under the laws of this State could make a direct purchase of the shares of stock of another corporation; and this question, following the great weight of authority, was determined in the negative. The case at bar, however, presents a very different question, viz., whether a bank, in order to secure a debt due from an insolvent debtor, may take from him shares of stock in another corporation in settlement of his liability. The general rule undoubtedly is that this may be done.

In Bank vs. Hart, *supra*, it is said: "It is doubtless true that the bank could legally take the stock of another corporation as security for a debt previously contracted. Possibly it might make a loan on the strength of the stock as security at the time. On this point the authorities are not in harmony, and, as it is not material here, we do not decide it. An emergency might arise when a bank's board of directors would be justified in taking the stock of another corporation in settlement, adjustment, or compromise of a doubtful claim or debt, acting in the honest belief that only by so doing could a serious loss to the bank be averted. None of these reasons, however, existed in the case at bar, or, if they did, the record before us does not disclose them."

Whether the Savings bank might take this stock as collateral to the loan made to Brace, is not, we think, material to be determined. At the time the loan was made, no statute of the State existed directing what investment such bank should make of its funds, or what security should be taken on loans made.

Our present statute, section 31 of chapter 8 of the Compiled Statutes of 1901, directing the investment of funds of a Savings bank in bonds of the United States or of any State in the United States, or in the public debt or bonds of any city, county, township, village, or school district of any State of the United States which shall have been authorized by the Legislature of the State, or loaned on negotiable paper secured by any of the above-mentioned classes of security or upon notes or bonds secured by mortgage lien upon unincumbered real estate, etc., was not enacted until 1895, three years or more after this loan to Brace was made; and the fact that the Legislature undertook to direct what security should be taken upon loans made by a Savings bank in this act, leads us to believe that prior to its enactment the general understanding was that collateral other than that named in the statute might be accepted by such banks as security for money loaned to its customers. However this may be, the stipulation of facts entered into between the parties is clearly to the effect that, at the time the Savings bank accepted this stock in payment of the loan, Brace was insolvent, and, in the absence of any showing that the stock was worthless, the presumption must obtain that the directors of the bank acted honestly in the transaction, and believed that the stock was valuable, and that they were serving the interests of the bank in accepting it in discharge of this claim against an insolvent debtor. There is no intimation that this stock was taken with any intention upon the part of the Savings bank to obtain a controlling interest in the plaintiff bank, or that it was contemplated to speculate in this stock. Upon its face the transaction bears the stamp of an honest endeavor by the directors of the bank to secure a demand due the corporation from an insolvent debtor, and the authorities are numerous that such a transaction will be upheld. (Latimer vs. Citizens' State Bank [Iowa] 71 N. W. 225; Tourtelot vs. Whithed [N. D.] 84 N. W. 8; First National Bank vs. Nat. Exchange Bank, 92 U. S. 122; Holmes Mfg. Co. vs. Holmes Metal Co. 127 N. Y. 252; Thompson on Corporations, § 5719; Morawetz on Corporations, §§ 1648, 1649.)

The Savings bank having become the owner of the stock, was liable thereon as any other stockholder. (Bank vs. Case, 99 U. S. 628.)

We recommend the affirmance of the judgment.

CHECK—WHEN ACCEPTANCE THEREOF BINDING.

Supreme Court of Kansas, June 6, 1903.

EAKIN VS. CITIZENS' STATE BANK OF NESS CITY.

A bank check is a bill of exchange within a statute requiring acceptances to be in writing, and providing that "if such acceptance be written on paper other than the bill, it shall not bind the acceptor, except in favor of a person to whom such acceptance shall have been shown, and who, in faith thereof, shall have received the bill for a valuable consideration."

A. T. Eakin sued the Citizens' State Bank of Ness City upon its promise, by a telegram dated September 21, 1901, to pay a check upon it for $130 given him by Howder & Hall on June 3, 1901. The district court sustained a demurrer to the petition upon the ground that, under the provisions of section 9 of chapter 14 (running section 548) of the General Statutes of 1901, such an action would not lie, except in favor of one who received the check for a valuable consideration upon the faith of the acceptance. This section and the one preceding it, to which it makes reference, read as follows:

"Sec. 8. No person within this State shall be charged as an acceptor of a bill of exchange, unless his acceptance shall be in writing, signed by himself or his lawful agent.

Sec. 9. If such acceptance be written on paper other than the bill, it shall not bind the acceptor, except in favor of a person to whom such acceptance shall have been shown, and who, in faith thereof, shall have received the bill for a valuable consideration."

MASON, *J.:* It was not claimed in the petition that the plaintiff received the check on the faith of the acceptance. In fact, it is distinctly alleged that he received it before the acceptance was made. Therefore the statute quoted applies, and is fatal to plaintiff's action, if a bank check is to be deemed a bill, within the meaning of the statute. Plaintiff, as plaintiff in error, cites many authorities to the effect that a bank check is not a bill of exchange. There are certainly differences to be noted between a bank check and an ordinary bill of exchange. It is not important to inquire whether these differences are such as, for general purposes, to require classifying the former as a separate kind of instrument from the latter, rather than as a special form of it. We are here concerned only with the question whether the term "bill of exchange," as used in this statute, is intended to include a bank check. A legislative interpretation of long standing argues for an affirmative answer. The sections quoted were parts of chapter 20, p. 71, of the acts of 1859. Section 4 of the same act originally read "that all bonds, notes, or bills of exchange, made negotiable by this act, shall be entitled to three days of grace in the time of payment." This section in the General Statutes of 1868 shows an amendment by the addition of the words "except bank checks," after the words, "bills of exchange," and this amendment has remained to the present time. This clearly shows that at the time of the amendment the Legislature gave the statute the meaning contended for by defendant in error.

The precise question was decided in Risley vs. Phenix Bank, 83 N. Y. 318, although the language involved was that of section 8 above quoted, instead of section 9. In the opinion it is said: "The check was a bill of exchange, within the statute that no person shall be charged as an acceptor of a bill of exchange unless his acceptance shall be in writing." This decision has almost controlling force, since the Kansas statute seems to have been borrowed from New York through Missouri; and, while this decision was rendered in 1881, it was based upon earlier decisions that a check is a bill of exchange (not referring to this statute, however), rendered before the adoption of the statute by Missouri. We follow this authority, and hold that a bank check is a bill of exchange, within the meaning of the statute referred to.

The judgment of the district court is affirmed. All the justices concurring.

RECEIVER FOR NATIONAL BANK IN VOLUNTARY LIQUIDATION—POWER OF FEDERAL COURT TO APPOINT—POWERS OF.

United States Circuit Court of Appeals, Eighth Circuit, March 9, 1903.

KING vs. POMEROY.

A Federal court has power to appoint a Receiver for a National bank.

A Receiver so appointed may enforce the individual liability of the stockholders for the debts of the bank.

The remedy of a creditor's suit given by the statute is cumulative and not exclusive.

The First National Bank, of Frankfort, was located at that town, in the State of Kansas, on April 13, 1891, and the defendant, Pomeroy, owned seventy shares of its stock, of the par value of $100 per share. That bank went into voluntary liquidation under section 5220 *et seq.* of the Revised Statutes [U. S. Comp. St. 1901, p. 3503] on April 6, 1891. It was insolvent, and the Comptroller of the Currency was requested to appoint a Receiver of its property, and he refused to do so on the ground that he had no jurisdiction over the affairs of a bank in voluntary liquidation. Thereupon, on April 13, 1891, a creditor of this bank, a citizen of the State of Missouri, filed a bill against it in the United States Circuit Court for the District of Kansas, wherein, for reasons it is unnecessary to state, it prayed for the appointment of a Receiver of the assets and credits of the bank and the liabilities incident thereto, to the end that he might convert them into money and liquidate its liabilities. The bank appeared in the court, and consented to the appointment of a Receiver, and he entered upon the discharge of his duties. He gathered the tangible assets of the bank, converted them into money, and distributed the proceeds, until, in December, 1898, he reported that these assets were all disposed of except $665.14 in cash, that the unpaid liabilities of the bank were still $36,301.74, and he prayed for directions regarding the enforcement of the liabilities of the shareholders.

On September 5, 1899, H. D. Stone, a creditor who had proved his claim against the estate of the bank, intervened in this suit, pleaded his claim, the cash in the Receiver's hands, the disposition of all the tangible assets of the bank except this, the indebtedness of the bank, the names and addresses of its stockholders, and prayed that the court would ascertain the necessity of the enforcement of the liability of the shareholders, that it would make an assessment upon them, and that it would appoint a Receiver to collect this assessment. On February 12, 1900, the court made an interlocutory decree, in which it found the facts set forth in the intervening petition to be true, that the amount of the assessment necessary to pay the debts of the bank was 38.84 per cent. of the par value of the stock, that an assessment of that amount be made, and that the amounts of this assessment should be paid by the respective shareholders to the Receiver who had theretofore been appointed in the suit within sixty days from the date of the order. The assessment upon the stock of the defendant, Pomeroy, under this order was $2,716.80. It is for this amount, upon this state of facts, that the Receiver of the circuit court has brought the action now before us. The court below held that these facts stated no cause of action, and dismissed the case.

Before Caldwell, Sanborn and Thayer, Circuit Judges.

SANBORN, *Circuit Judge:* When a corporation becomes insolvent, all its property and all the liabilities of the guarantors of its obligations constitute a trust fund pledged to the payment of its debts. And in cases where through fraud or maladministration this fund is being diverted from those who are entitled to receive it, the power is vested in, and the duty is imposed upon, courts of equity to appoint a Receiver, to direct him to convert these trust funds into money, and to distribute the proceeds among the creditors. (Sawyer vs. Hoag, 17 Wall. 611, 632; Hayden vs. Thompson, 71 Fed. 60, 66, 17 C. C. A. 592, 598.) Such a suit falls within the jurisdiction of a court of equity because it is a suit to execute a trust, because it avoids a multiplicity of suits by each of many creditors, and because the creditors have no adequate remedy at law.

The Receiver appointed in such a proceeding is the hand of the court to gather and distribute the trust funds, and in the execution of its orders he has the power and the authority of the court, so that when it is said that the Receiver in the action now in hand is without authority or power to maintain this suit, the real contention is that the circuit court of the district in which this insolvent bank was located had no jurisdiction to enforce the liability of its shareholders in the proceeding before it. There is nothing in the suggestion that the court may have a power to enforce the liability of the shareholders with which it cannot invest its Receiver. If the court has the jurisdiction to enforce this liability, the Receiver whom it appoints and directs to do so has all the power of the court to receive the money and to maintain actions to recover it. Receivers of courts of equity appointed in the judicial administration of the affairs of insolvents are, in the absence of restrictive statutes, empowered to enforce the rights of the creditors as well as the rights of the debtor, and there is no restrictive legislation in this case limiting the power of the Receiver to maintain this action.

It is conceded in this case that the court below lawfully appointed the Receiver, and that by his agency it rightfully collected the debts due to the bank, converted its tangible assets into money, and distributed its proceeds to the creditors. But the contention of counsel for the defendant in error is that the circuit court had no power by the hands of its Receiver to collect the amount lawfully owing from the shareholders to the creditors, because the latter did not proceed to enforce this liability by the particular suit in equity pointed out by the provisions of section 2 of the act of June 30, 1876, c. 156 (19 Stat. 63 [U. S. Comp. St. 1901, p. 3509]), and because the Comptroller of the Currency has never authorized or directed the institution of this action against the shareholders.

A brief reference in chronological order to the legislation which conditions the soundness of this position will best present the questions it raises. The jurisdiction of the court below sitting in equity to appoint a Receiver, and through him to administer the affairs of an insolvent corporation, to collect the trust fund pledged to its creditors, and to liquidate its debts, vested in that court when it was established. It existed long before the act of 1864, which authorized the formation of National banks, and the act of 1876, which granted the new remedy upon which counsel now insists, were enacted, and it still exists. It was general and comprehensive. It included all cases of fraudulent diversion or maladministration in which controversies arose between citizens of different States, and it is conceded that this was such a case. This jurisdiction required no special act of Congress to give it effect, but it attached to and embraced every corporation as it came into existence, unless by some act of Congress its extent was curtailed or diminished.

By the act of June 3. 1864, 13 Stat. 99, Congress authorized the formation of National banks, made certain provisions for the supervision and the liquidation of their debts, and then declared that they should not be subject to any visitorial powers other than such as were authorized by that act or were vested in the courts of justice. (Rev. St. Sec. 5241 [U. S. Comp. St. 1901, p. 3517]). The courts of justice had power to appoint Receivers, and to liquidate the debts of all insolvent corporations, when this act was passed. That power necessarily remained in those courts, and embraced the National banks as they came into existence, except in those cases in which this jurisdiction was withdrawn from the courts by that or some other act of Congress. The act of 1864 provided that in certain cases the Comptroller of the Currency might appoint Receivers to liquidate the debts of the National banks and to enforce the liabilities of their shareholders. Under this legislation the Comptroller became a special tribunal, with limited powers, authorized to act in cases specifically named in the statute, but in no other instances. In all other cases the power of appointment of Receivers, of liquidation of the debts of the banks, and of enforcement of the liabilities of the shareholders remained in the courts as it existed before.

The cases in which the Comptroller was empowered to appoint Receivers and to enforce the liability of shareholders were: (1) Where the bank had refused to pay its circulating notes (section 5234, Rev. St. [U. S. Comp. St. 1901, p. 3507]); (2) where it failed to maintain its capital at the minimum (section 5141, page 3462); (3) where it failed to maintain its reserve (section 5191, page 3486); (4) where it failed to redeem its circulating notes, or to select a place at which it would redeem them (section 5195, page 3492); (5) where it failed to dispose of its stock taken as security within six months (section 5201, page 3494); and (6) where it failed to pay up its capital stock and refused to go into liquidation (section 5205, page 3495).

Conceding now that in all these cases in which the power to appoint a Receiver and to enforce the liability of the shareholders was vested in the Comptroller by the act of 1864, that authority was thereby withdrawn from the courts under the familiar rule that, where the same act creates the right and prescribes the remedy for its enforcement, that remedy is exclusive, still the fact remains that in all the cases in which no such power was vested in the Comptroller the jurisdiction and authority of the courts remained unimpaired and plenary. Thus, full jurisdiction still remained in the courts of equity, to appoint a Receiver to liquidate the debts of an insolvent bank and to enforce the liability of its shareholders where the transfers of notes or other evidences of debt, assignments of mortgages or other securities, deposits of money, bullion, or other valuable things, and payments of money were made by the National banks with a view to give preferences in contemplation of insolvency in violation of section 5242, Rev. St. [U. S. Comp. St. 1901, p. 3517], as well as where a bank had gone into voluntary liquidation under sections 5220 and 5221, page 3503, and its funds were being fraudulently diverted from the *cestuis que trustent.* The conclusion that this power still remained in the courts of equity under the act of 1864 is not only a rational deduction from the fact that this part of their general jurisdiction over such corporations, which existed from the time of their creation, was neither expressly nor impliedly taken from them by that act, but, in so far as it relates to banks in liquidation, it is the unavoidable effect of sections 5205, 5220 and 5221, Rev. St. [U. S. Comp. St. 1901, pp. 3495, 3503], when they are read together. Sections 5220 and 5221 and those immediately succeeding them provided that any banking association might go into voluntary liquidation under the direction of its shareholders by a vote of those owning two-thirds of its stock. Section 5205 provided that, if a bank refused to go into liquidation, the Comptroller might appoint a Receiver, and enforce the liability of its shareholders. The conclusion is irresistible that, if it did go into liquidation, and if it did not fall into any of the other classes of cases in which the Comptroller was authorized to appoint a Receiver, he was without such authority, and the jurisdiction of the courts over National banks in voluntary liquidation remained as complete as it was over the ordinary insolvent corporation.

The argument that, although a court of equity might have had the authority to appoint a Receiver to liquidate the debts of this bank, yet it had no power to enforce the liability of the shareholders, is not persuasive. In the first place, under the act of 1864 there was no other way to collect the amounts owing by the shareholders of a bank in voluntary liquidation save by the decree of a court of equity, and where there is, as in such a case, a clear right, and no other adequate remedy, the cases are rare in which a court of equity will not afford one. In the second place, conceding that this liability was not to the bank, and that it could not be collected or enforced by the debtor, still it was as much a trust fund, or the pledge of a trust fund, for the benefit of the creditors, as any of the tangible property of the corporation, and the enforcement of this liability and the distribution of its proceeds is as much a part of the liquidation of the debts of the bank as the collection and distribution of the proceeds of its bills receivable, or any other of its assets.

Hence the conclusion is that, because there was no other adequate remedy to enforce the liability of shareholders of an insolvent National bank in voluntary liquidation under the act of 1864, and because that liability was a trust fund, or the pledge of a trust fund for the benefit of the creditors of the bank, a court of equity had plenary power to appoint a Receiver, and to authorize him to enforce that liability by action at law. (Richmond vs. Irons, 121 U. S. 27, 44, 48, 50; Irons vs. Bank, Fed. Cas. No. 7,068; Irons vs. Bank [C. C.] 17 Fed. 312, 313; Wright vs. Bank, Fed. Cas. No. 18,084; Elwood vs. Bank, 41 Kan. 475; Harvey vs. Lord [C. C.] 10 Fed. 238, 239; Wilson vs. Book [Wash.] 43 Pac. 939, 940; Farmers' Loan and Trust Co. vs. Funk [Neb.] 68 N. W. 520, 522, 524; Hayden vs. Thompson, 71 Fed. 60, 66, 17 C. C. A. 592, 598.)

The acts of Congress and the rights and remedies of creditors and shareholders of National banks in voluntary liquidation stood in this way from 1864 until Congress passed "An act authorizing the appointment of Receivers of National banks and for other purposes," which was approved on June 30, 1876, c. 156, 19 Stat. 63 [U. S. Comp. St. 1901, p. 3509.] This act was not, and it did not purport to be, an amendment of the act of 1864. It was an independent law, giving remedies not provided by the prior act. Section 1 empowered the Comptroller of the Currency to appoint a Receiver to close up a National bank and to enforce the personal liability of the shareholders (1) where such a bank was dissolved under section 5239 [U. S. Comp. St. 1901, p. 3515], (2) where a creditor had obtained a judgment against it which had remained unpaid for thirty days, and (3) where a bank had become insolvent. Section 2 authorized any creditor of such a banking association in voluntary liquidation to enforce the liability of its shareholders by a bill in equity brought on behalf of himself and all other creditors of the association against the shareholders in any court of the United States which had general jurisdiction in equity in the district in which the association had been located or established.

It is upon this second section, and upon the fact that the suit in equity in which this Receiver was appointed was not a proceeding under that section, that counsel relies to defeat this action. But how can this section curtail or affect the undoubted jurisdiction which the Federal courts had when it was enacted to enforce by the hands of their Receivers the liability of shareholders of banks in voluntary liquidation through suits in equity for a judicial administration of their affairs? It does not in terms withdraw or limit the power of courts of equity. It is not inconsistent with the existence or the exercise of that power. It simply extends to every creditor a remedy which creditors who were citizens of States other than that of the location of the bank had before it was enacted. It does not present a case in which the remedy is given in the same act which creates the right, so that it is rendered exclusive by that fact, as in Pollard vs. Bailey, 20 Wall. 527, and National Bank vs. Francklyn, 120 U. S. 756. On the other hand, it falls under the converse of this principle. It falls under the familiar rule that, where a statute simply gives a new remedy in a case in which the right and an appropriate remedy existed before its enactment, it is cumulative, and not exclusive, and the party injured is at liberty to pursue either remedy. (Sedgwick on Construction of Statutory and Constitutional Law [2d ed.] pp. 342, 340-4; Wright vs. Bank, Fed. Cas. No. 18,084; Clements vs. Bowes, 17 Sim. 167, 175.)

In the case last cited there was a demurrer to a bill brought by a shareholder of a railway company on behalf of himself and others, in which he prayed for an account of the receipts and payments of the defendants on behalf of the company. This demurrer rested on the ground that the Legislature had provided a different method of winding up and dealing with the affairs of a railway company. But the Court said:

"To oust the jurisdiction of the court of chancery in such a case, the Legislature should have so declared it. It is plain, where the court of equity has jurisdiction in such a case, an act giving further relief does not by that oust the title of the court of equity, without express terms being used to put an end to the jurisdiction which is inherent in the court."

This rule is familiar, and needs no citation of authorities to sustain it. It has been repeatedly applied to the very act under consideration, and both reason and authority persuade that the remedy which the act of 1876 gave was cumulative, not exclusive, and that the jurisdiction and power remained after as before its passage in the Federal courts to appoint Receivers of National banks in voluntary liquidation in proper cases, and to empower these Receivers to enforce by actions at law the liability of the stockholders. (Harvey vs. Lord [C. C.] 10 Fed. 236, 238; Irons vs. Bank [C. C.] 17 Fed. 308, 312, 313; Richmond vs. Irons, 121 U. S. 27, 44, 48, 50.)

DEPOSITS—WHERE TAXABLE.

United States Circuit Court of Appeals, Fourth Circuit, May 5, 1903.

PYLE, SHERIFF, vs. BRENNEMAN.

A deposit in bank, being a debt due from the bank to the depositor, has its situs at the place of his domicile, and is taxable there.

This was a bill in equity by Louis A. Brenneman, against Stephen G. Pyle, sheriff of Tyler county, W. Va., to restrain the collection of certain taxes assessed against Brenneman by the authorities of said county, and which were sought to be collected by the sheriff. For the year beginning April 1, 1900, Brenneman was arbitrarily assessed upon the personal property books of Tyler county, for taxes upon the sum of $250,000, alleged to be on deposit to his credit in the Farmers and Producers' National Bank and the First National Bank of Sistersville, both in the town of Sistersville, W. Va., he being at the time a resident of the State of Pennsylvania.

Before Goff, Circuit Judge, and Purnell and Boyd, District Judges.

BOYD, *District Judge* (omitting part of the opinion): Is it tangible personal property, of concrete form, such as to be taxable wherever found, or is it a credit—a debt due by the banks to the depositor—which has its situs at the domicile of the creditor?

A deposit in bank to the credit of the depositor, and subject to his check, is not a bailment. It is a loan. The depositor does not retain the property in any particular funds, but the money which he deposits goes into the funds of the bank. The bank owes him the amount, and the relation of debtor and creditor is created by the transaction. (Morse on Banks and Banking, Vol. 1, § 289; Am. and Eng. Enc. Law, Vol. 2, p. 93.) This is the law as it is declared by both the Federal and State courts in this country, and in obedience to it we hold that the deposits of Brenneman in the banks of Sistersville are debts due him by the banks, and that the situs of the property is the domicile of the creditor. "It is undoubtedly true that the actual situs of personal property which has a visible and tangible existence, and not the domicile of its owner, will in many cases determine the State in which it may be taxed. * * * But other personal property, consisting of mortgages and debts generally, has no situs independent of the domicile of the owner." * * * (Case of the Taxation of Foreign-Held Bonds, 15 Wall. 300, 21 L. Ed. 179.) "The general rule is that debts follow the person of the creditor, and are to be taxed at his domicile." (Am. and Eng. Enc. Law. Vol. 25, p. 146.) "A non-resident creditor of a State cannot be said to be, in virtue of a debt which a resident owes him, owner of property within its limits. The credit is not within the State's jurisdiction, and no value to the debtor, and is not property within the State, but property of the creditor, taxable at his place of residence." (Liverpool and London and Globe Insurance Co. vs. Board of Assessors [La.] 11 South. 91, 16 L. R. A. 56.) "For the purposes of taxation a debt has its situs at the residence of the creditor, and may be taxed there." (Kirtland vs. Hotchkiss, 100 U. S. 491.) "Debts are not property. A non-resident creditor of a city cannot be said to be, by virtue of a debt which it owes him, a holder of property within its limits." (Murray vs. Charleston, 96 U. S. 432, 24 L. Ed. 760.)

DISCHARGE OF MAKER—EFFECT UPON INDORSER.

Court of Appeals of New York, March 24, 1903.

AELIA L. SPIES, AS EXECUTRIX OF FRANCIS SPIES vs. NATIONAL CITY BANK.

The holder of a promissory note who so deals with the maker that he becomes discharged from all liability thereon as against subsequent indorsers, cannot enforce the contract of indorsement.

In and prior to April, 1893, Francis Spies, the plaintiff's testator, was doing business in the city of New York in the name of Marcial & Co. At his request in April, 1893, at New York city, the defendant discounted for him a note for $4,786.62 made in New Orleans by R. M. Ong to the order of Marcial & Co., dated April 11, 1893, and payable in four months thereafter. Spies indorsed the note in the name of Marcial & Co. to the defendant. At that time the defendant held certain railroad bonds which Spies had deposited with it as security for the indebtedness then due to it from him and as security also for "any other note or claim" the defendant might have against him. The defendant discounted the above-mentioned note, relying upon the said securities. The note was not paid when due and was duly protested and due notice was given to the plaintiff. Spies, the indorser, having in the meantime died. In February, 1894, this defendant recovered judgment upon the note against Ong, the maker, in the Civil District Court for the Parish of Orleans, in Louisiana, where Ong resided. A few months later the defendant sold and transferred the said judgment to Alfred Hiller for fifty per cent. of its face value. An order of subrogation was entered in the action in which the said judgment had been recovered, which declared that Hiller "be subrogated to all the plaintiff's rights, claims and demands in and to the judgment therein against the defendant R. M. Ong." In this transaction, all of which took place in Louisiana, Hiller represented Ong, and acted in his behalf and for his benefit, and Ong became the owner of the judgment. When this defendant sold and assigned the said judgment to Hiller it was with an express reservation of all the defendant's rights and claims against the indorsers of the note, to which reservation both Hiller and Ong assented.

PARKER, *C. J.* (omitting part of the opinion): Turning to the findings, we find it stated that by the law of Louisiana the effect of the said transaction between this defendant and Hiller and Ong was to relieve Ong from all liability upon the note as maker. The plaintiff's remedy as against the maker has, therefore, been swept away by the affirmative action of this defendant, and, hence, under the general rule of law that obtains in such case in this State, the defendant must be deemed to have lost the right that it once had to collect the note or any part of it from the plaintiff.

The learned counsel for the appellant insists that even if it be true that the legal effect of the assignment of the judgment and the entry of the order of subrogation operated to discharge the maker from all liability on the note, nevertheless the effect of the holder's reservation of his rights against the indorser permits recovery from him on the note under the law of this State which governs, as we have seen, the contract of indorsement.

The legal effect of such a contention necessarily is, that there exists in this State an exception to the general rule, that a holder who so acts as to discharge a maker from all liability on a note releases all subsequent indorsers from liability thereon, and is to be found in a case where, at the time of releasing the maker, the holder expressly reserves all rights against the indorsers.

If his contention be well founded the exception would so operate as to destroy in a large measure the value of the general rule, which is well grounded in reason as well as authority, for in many cases the holder could deprive the indorser of his remedy over against the maker and still pursue the holder's remedy against the indorser by a simple agreement with the maker that the holder's rights against the indorser should be reserved.

He cites in support of his position the following cases in this court: Morgan vs. Smith, 70 N. Y. 537; Calvo vs. Davies, 73 N. Y. 211; Palmer vs. Purdy, 83 N. Y. 144.

In Morgan vs. Smith no such question was involved. The defendants were co sureties upon a lease, and after the lessees had taken possession under the lease they entered into an agreement with the lessor that the latter should ront the premises for them at their risk, crediting to them any receipts for rent, with a condition that the agreement should not impair or alter the relations of the parties, the covenants of the lease, or the security for the rent. It was held that the agreement, even without the condition, was no more in effect than a consent that the lessee might underlet and that under the condition the rights of the sureties were in no wise affected. The court concluded the opinion in these words: "The delivery and reception of the key was not a surrender or taking possession of the premises, but an intrusting to the plaintiff of the control of them for the purpose of letting them in behalf of the lessees, they all the while remaining tenants and liable for the rent according to the terms of the lease. We do not think this point can be sustained."

Calvo vs. Davies was an action to enforce a mortgage upon premises subsequently sold to a grantee, who in his deed assumed its payment and later entered into an agreement with the mortgagee to extend the time of payment without the consent of his grantor. *Held*, that the effect of the agreement was to discharge the grantor and mortgagor from liability for the mortgage debt.

In Palmer vs. Purdy, of the four tenants, all liable for rent to the plaintiff, two left the firm after having made an agreement with the other two that they should assume the payment of rent thereafter to accrue, but the fact of this agreement was not fairly communicated to the landlord, so this court held that he was not called upon to treat the outgoing members as sureties, but could legally deal with them all as principal debtors. So the defense that by the acceptance of the notes of the two members continuing in possession of the premises the landlord had extended the time of payment of the rent, was brushed aside, and then the court added, further, that even if it accorded to them the rights of sureties, the defendant's acceptance of the notes, upon an express reservation of his rights and remedies as against them, prevented it from operating as an absolute, and made it only a "qualified and conditional suspension of the right of action; * * * it is to be treated in effect as if it was made in express terms subject to the consent of the surety, and the surety is not thereby discharged."

That rule has never been applied to an indorser on a promissory note by this court, and never can be, when as in this case, there is to be found in the facts and circumstances surrounding the transaction no opportunity to treat the release of the maker as having been made subject to the consent of the indorser.

The judgment should be affirmed, with costs.

Gray, O'Brien, Bartlett, Haight, Vann and Cullen, *JJ.*, concur.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

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

PARTNERSHIP—POWERS OF PARTNER AFTER THE DISSOLUTION OF FIRM—HYPOTHECATION OF LUMBER TO SECURE ADVANCES—BANK ACT, SECTIONS 74, 75 AND 78—SALE OF LUMBER BY PARTNER—APPLICATION OF PROCEEDS TO PAYMENT OF INDEBTEDNESS NOT SECURED BY HYPOTHECATION—KNOWLEDGE BY PLEDGEE.

HALE vs. THE PEOPLE'S BANK OF HALIFAX (2 New Brunswick Equity Reports, p. 433).

STATEMENT OF FACTS: This was a bill for an injunction to restrain the defendants, the bank, and John G. Murchie from selling or disposing of certain timber licenses and for an accounting to the plaintiff by the bank, George A. Murchie and the firm of James Murchie and Sons. The facts appear fully in the judgment of the court.

JUDGMENT (BARKER, *J.*): In 1899 the plaintiff and the defendant George A. Murchie by a verbal agreement entered into partnership for the purpose of carrying on a milling and lumbering business under the name of Hale & Murchie. George A. Murchie was then and has been ever since a member of the firm of J. Murchie and Sons. Up to the fall of 1900 the plaintiff seems to have had the active management of the business and in order to carry it on, his firm, acting by him, had borrowed from the defendant bank such sums of money as were required from time to time for their lumbering business. These advances so made each year were secured by an hypothecation under the Bank Act of the lumber cut during that season, and in the fall of 1900 the firm of Hale & Murchie was indebted to the bank in the sum of upwards of $75,000, for which had been given as security a large quantity of lumber under contract of sale to Dobell & Co., of Quebec, and ready for delivery, the price of which was in round numbers $50,000. For some reason not disclosed in the evidence the bank, on being applied to by the plaintiff in the fall of 1900 to make the usual advances for the coming season's operations through its agent at Woodstock, declined to do so, whereupon the plaintiff's partner, George A. Murchie, on behalf of the firm and with the plaintiff's full concurrence, went to the head office of the bank at Halifax in order, if possible, to make some arrangement, and the result of his application there was that the bank agreed to advance the firm for the operations of 1900–1901 up to $91,000 upon the terms contained in the following letter from the General Manager of the bank:

HALIFAX, N. S., December 20, 1900.

George A. Murchie, Esq., Calais, Me.

DEAR SIR: The board of directors have considered the proposal made by you at your interview this morning and have decided to make advances to the firm of Hale & Murchie for the present season extending to July 1 next, upon the following terms: The amount of lumber to be cut is to be limited to thirteen million feet, and we will make advances at the rate of $7 per thousand feet ($5 for logging, $1 for driving and $1 for browsing), you to provide the money for the stumpage. As security for these advances we will require: (1) a lien upon all the logs cut under the terms provided by our Bank Act and in accordance with usage; (2) an assignment to the bank of all timber leases held by the firm of Hale & Murchie on the Tobique and elsewhere; (3) a personal guarantee bond to be given by yourself and John G. Murchie covering the full amount of all advances made by the bank from this date to Messrs. Hale & Murchie. All these conditions must be fully complied with before any advances can be made. In addition we wish 't to be understood that no indirect liabilities will be created in the shape of jobbers' time drafts and that obligations created at the bank will have prompt personal attention. We wish it to be understood that the firm of Hale & Murchie is domiciled at Fredericton and that the books and papers of the firm will be properly kept at that place and accessible to the bank for the purposes of information at any time, and that no office or branch office will be permitted at any other place. In reference to present indebtedness of the firm to the bank. we accept the figures of your specification showing that under your contract with Dobell & Co. $50,578.89 worth of lumber is ready for the latter firm's acceptance, and according to Dobell & Co.'s contract that this will be settled for by note due not later than February 4. We accept your assurance that either Mr. Hale or yourself will visit Quebec at a very early date to bring about this settlement. The balance of the debt we are willing to carry along, provided that at least one-half is repaid within a year, and your assurance on this point is sufficient for the directors. We require that the affairs of the firm generally will be closely supervised by you and that the financial part will have your particular personal attention. When you are in a position to transfer and complete the securities mentioned in this letter, I will acquaint our Manager at Woodstock with the particulars and will then have the funds made available to your firm. Should any further explanation be required I shall be pleased to furnish same. Any correspondence necessary to the completion of the understanding should be had with this office. After the account is once opened in accordance with the terms agreed upon, the matter will be in the hands of Mr. White, our Manager at Woodstock.

Wishing you the compliments of the season, I remain,

Yours faithfully,

D. R. CLARKE, *Cashier.*

It is not denied that this letter was shown to the plaintiff or that with a full knowledge of its terms he accepted them. A change was made at the instance of John G. Murchie which was accepted by all parties; namely, that the licenses instead of being assigned by Hale & Murchie direct to the bank as a security for the advances, were to be assigned to him as security against loss on his guarantee bond, and the bank also agreed to extend the limit of the advance to $94,000. The plaintiff does not dispute the terms of this agreement; in fact he complained then and still complains of the stipulation that his partner was to assume the supervision of the financial affairs of the firm, which up to that time he had managed, and he subsequently made it a distinct ground of dissolving the partnership that his partner had, in violation of the terms of this letter, removed the books and papers of the firm from Fredericton to Calais. In accordance with the arrangement the plaintiff and his partner, George A. Murchie, professing to act as the firm of Hale & Murchie, and John G. Murchie entered into an agreement dated January 14, 1901, by which Hale & Murchie assigned to John G. Murchie a number of timber licenses covering an area of some 300 square miles and their interest in some other timber limits as security against loss on his guarantee to the bank for these advances and any other liability to the bank which he might assume for them.

By the above-mentioned agreement it was expressly stipulated "that upon payment by said firm to said John G. Murchie of and for all amounts or sums assumed or guaranteed by him for said firm as aforesaid, or upon due and proper discharges, acquittances or releases thereof being obtained, then and thereupon the said John G. Murchie is to reassign at once the said licenses and timber lands to the said Frederick H. Hale and George A. Murchie."

John G. Murchie gave the bond to the bank as he had agreed, and as a security for its performance he assigned the Hale & Murchie timber licenses and limits, assigned to him, over to the bank. The bank made the advances up to $94,000. Hale & Murchie got out some thirteen millions of lumber, all of which was hypothecated to the bank, and all of which has been manufactured and disposed of. During the year 1901 Hale & Murchie paid to the bank on account of these advances, $30,000, so that irrespective of interest and one or two small sums which are to go in reduction of the amount, the balance according to the bank's contention due by Hale & Murchie, on account of the moneys so advanced, is $64,000, for which they hold, or at all events did hold, the lumber hypothecated, the timber licenses and John G. Murchie's guaranree as security, in addition to Hale & Murchie's personal obligation. So far there is no substantial difference between the parties. The plaintiff, however, says that this balance of $64,000 is subject to a deduction of two sums; one an ascertained amount of $27,745.23, and the other of an amount to be ascertained by an account asked for in this suit, and his contention is that these two sums would pay off the bank in full, or at all events that he was ready to pay any balance which might remain due, thus relieving John G. Murchie from liability on his guarantee, and the timber licenses and other securities held by the bank would then be assignable to Hale & Murchie by the terms of the assignment to John G. Murchie.

Taking these two contentions in their order, the facts of the first claim of the plaintiff are as follows: On February 6, 1901, a payment of $50,000 was made by Hale & Murchie to the bank on account, which left a balance of $27,745.23.

The $50,000 is the amount due by Dobell, Beckett & Co., mentioned by Mr. Clarke, in his letter to George A. Murchie of December 20, 1900, in which he urges either Hale or Murchie to go to Quebec in order to have it arranged. The balance was carried along by way of renewals until January, 1902, at which time it was represented by Hale & Murchie's promissory note, held by the bank, dated August 5, 1901, and maturing February 8, 1902. On January 7, 1902, that is, a month before this note fell due, George A. Murchie, acting on behalf of the firm of Hale & Murchie, paid the bank $23,171.30, and on the following day (January 8, 1902) a further sum of $3,987.50, both of which sums were paid on account of the balance of $27,745.23, and were so credited by the bank on the note held by them. This appropriation of these two payments was made by the consent and agreement of George A. Murchie, acting for himself and partner, of the bank's Manager and of John G. Murchie, the guarantor. The $23,171.30 was received from Dobell, Beckett & Co., in payment of lumber sold them by Hale & Murchie from the cut of 1900–1901, and the $3,987.50 was the proceeds of a draft drawn by Hale & Murchie by George A. Murchie, on J. Murchie & Sons, in favor of the bank. These payments were appropriated in the way I have mentioned without the plaintiff's knowledge in any way, and, as I think from the evidence, with a knowledge on the part of the bank that the money from Dobell, Beckett & Co. was the proceeds of lumber hypothecated to the bank of the 1900–1901 cut, and the plaintiff's contention, as to both of these claims, is that as the lumber got out that season was hypothecated to secure the advances for that season, it was a fraud upon him, or rather upon the unsecured creditors of Hale & Murchie to utilize the moneys derived from its sale in payment of an indebtedness of another year altogether, and thus throw an additional burden on the securities. The bank, being unable to obtain payment of its indebtedness, and the original security upon the lumber having been exhausted by the manufacture and the sale of the logs by Hale & Murchie, was proceeding to realize upon the timber licenses, when this bill was filed, upon which Mr. Justice McLeod granted an interim injunction staying the sale. The licenses have since been sold, by consent of all parties, at auction, and the proceeds—some $72,000—have been paid into court, to be dealt with as representing the licenses. The bill also alleges that the thirteen millions, if sold at the market price, would realize $140,000—much more than sufficient to pay the bank in full. The charge in the bill against George A. Murchie is that he sold a large portion of the lumber to Dobell, Beckett & Co., and did not, as he was bound to do, use the proceeds in reduction of the secured debt, and that he shipped large quantities of the lumber to J. Murchie & Sons, who have not accounted for it. The charge which the plaintiff makes against the bank is not only that it illegally and wrongfully credited the payments on the old note, as I have mentioned, but that, in violation of its duty and in fraud of the plaintiff, permitted George A. Murchie and J. Murchie & Sons to receive large portions of the lumber and the proceeds thereof, instead of having the same applied in payment of the advances. The bill further alleges that the plaintiff was ready and willing to pay the bank the amount really due it, for which the licenses were held as a security, and that it would be a great wrong, not only to him, but the unsecured creditors of Hale & Murchie, if the licenses were sold before the real indebtedness to the bank, for which they were held as a security, was ascertained.

There is no evidence whatever of any attempt by the bank to exclude the plaintiff from the business management of his firm, even if it were in a position to do so, of which there is no evidence whatever. Neither can I find in the evidence anything to suggest that the transactions between the firm and the bank were in any way concealed from the plaintiff, or that either by inquiry of the bank or of George A. Murchie or by an inspection of the books of his firm, he could not have obtained full information in reference to them. As to the appropriation of the $27,000, there is no dispute that the debt was owing by Hale & Murchie to the bank, and that it was the balance of the $75,000 indebtedness existing from the 1899 transaction spoken of by Mr. Clarke in his letter. George A. Murchie and the bank justify this payment on two grounds. In the first place it was simply carrying out the terms of the letter to which the plaintiff himself assented; and in the second place it was competent for Murchie to bind his partner by the payment, even without any express authority.

In determining this question, it is, I think, immaterial whether the partnership had been dissolved or not, for in either case the authority to wind up its affairs and deal with its property remained in the partners, this court not having at that time intervened by the appointment of a Receiver.

In Butchart vs. Dresser (affirmed on appeal) it is virtually laid down that, notwithstanding a dissolution, a partner, until at all events a Receiver is appointed, has all the power and authority he had before the dissolution to complete contracts previously made, and in order to wind up the business. In this case, on appeal, Turner, L.J., says: "The general law is clear, that a partnership, though dissolved, continues for the purpose of winding up its affairs. Each partner has, after, and notwithstanding the dissolution, full authority to receive and pay money on account of the partnership, and has the same authority to deal with the property of the partnership for partnership purposes, as he had during the continuance of the partnership. This must necessarily be so. If it were not, at the instant of dissolution, it would be necessary to apply to this court for a Receiver in every case although the partners did not differ on any one item of the account."

It is true that Hale & Murchie had a right to compel the bank to utilize the proceeds of the lumber in payment of the debt which it was pledged to secure; but that is a right which the parties interested may waive, and, in my opinion, had the partnership been existing, it would have been quite competent for George A. Murchie to do precisely what he did, quite apart from his assurance to the bank, and that he would have the same power after a dissolution, and before this court had taken charge of the assets by way of appointing a Receiver. I confess, as a practical business matter, I cannot see from the standpoint of the plaintiff the force of his objection. There is no dispute as to the debt being due, and its payment enured to the benefit of both partners alike, and neither can get anything out of the partnership assets until all the debts are paid in full. Apart from this, the plaintiff knew that his firm was under the assurance given by George A. Murchie, and adopted by himself, that during the year 1901, at least one-half of this old balance would be paid, and when this payment was made the year had passed and nothing had been paid. I do not at all think it was in the contemplation of the plaintiff or any one else that this balance was to be paid from funds other than those received from the sale of those logs cut in the season of 1900 and 1901.

The evidence and all the circumstances point to an entirely different conclusion. Where was the money to come from if not from that source? It must be remembered that if, as the plaintiff affirms, these thirteen millions of lumber at current rates were worth $140,000, and the evidence rather sustains that estimate, there was a margin of nearly $50,000 over and above the bank's claim, which belonged to the firm. Whoever supposed that not a dollar of that sum was to be used until the bank had been paid off? I think the plaintiff has no ground and no reason for complaining of this payment or of its appropriation.

Coming now to the plaintiff's second contention, it would seem at first blush that this case is the simple one of a bill filed by the pledgor of two distinct separate kinds of property seeking to secure the same debt, to restrain the pledgee from realizing or selling one kind or part of the whole property pledged, on the ground that from the remainder of it he had already realized, or ought to have realized, sufficient to discharge the indebtedness. The bill is in form a redemption bill. There is nothing in it, however, alleging any partnership between the two firms. That is involved in the other suit pending, and if the evidence sustains the plaintiff's view of this point, the whole account can be taken and must be taken in that suit. The bank has no interest in the taking of a mere partnership account between these two firms. It is only because it is alleged here that the bank has wrongfully, and in fraud of the plaintiff, permitted J. Murchie & Sons to get this property, and for which they must account to the plaintiff, that any account can be asked here, because that is the only accounting by J. Murchie & Sons in which the bank has any interest. Neither has the bank any interest in a mere accounting between the members of the firm of Hale & Murchie *inter se*. It is only because of the allegation as to George A. Murchie's management of the firm's business for the benefit of the bank that any accounting can be claimed in this suit involving that question.

The facts in evidence, I think, show that this is not the ordinary case of mortgagor and mortgagee of chattels, which I have mentioned. It appears that from the formation of the plaintiff's firm in 1889 down to the last transaction in 1900, Hale & Murchie had carried on their financial matters principally with the defendant bank. The bank had from year to year made them advances which they required for their lumbering operations, taking security as a lien on the lumber under the Bank Act. During all that time the plaintiff had the principal arrangement of the firm's business, and practically the entire management of its money matters. The disposal of the lumber and the management of the business were left entirely with Hale & Murchie, which, during that period, practically meant the plaintiff. They took charge of the property, manufactured it, sold it, and dealt with it in every way—so far as I can gather from the evidence—so far as the outside world was concerned, as if they alone were interested in it. No doubt the bank was consulted from time to time and kept informed of the business matters and how they were likely to result, but they made no contracts of sale, shipped and sold apparently to whom they chose, and collected all the proceeds. It was Mr. Hale or Mr. George A. Murchie, not any bank official, who by the terms of Mr. Clarke's letter of December 20, was to go to Quebec to secure and arrange the payment by Dobell, Beckett & Co., of the $50,000 due by them, though the money really belonged to the bank, and it represented lumber pledged to the bank and sold by the pledgors by their consent. The bank put forward that this is the only practical way of handling a security of this kind. That may be so. At all events that is the method by which Hale & Murchie and the bank dealt with them for all these years. After George A. Murchie took charge in 1900, precisely the same course of dealing was adopted. As in previous years Hale & Murchie sold the lumber and should have accounted to the bank for the proceeds.

In the one case the plaintiff was the active partner while in the other George A. Murchie was the active partner. During all these years Hale & Murchie sold largely to J. Murchie & Sons. Their accounts between the two firms as kept by them up to 1900 show a yearly increasing balance against Hale & Murchie, and in January, 1902, this balance was slightly over $100,000. It is true that the plaintiff entirely denies the correctness of these figures and states his belief that on a proper accounting the whole indebtedness would disappear. But even in that case the fact would still remain that the cash payments and advances by J. Murchie & Sons to Hale & Murchie were at least equal to the value of the timber shipped to them.

Now, in all this where consists the fraud of which the plaintiff complains? Were he and the bank for ten years prior to 1901 dealing fraudulently as to George A. Murchie? If not, George A. Murchie and the bank were not dealing fraudulently with him in 1901. Upon what principle, then, can the plaintiff be heard to say to the bank, you can not go on realizing your securities, because if you credit what, but for your default or neglect, you would have received, your debt would have been paid in full? The default or neglect was that of the plaintiff and his partner. They were under an obligation to pay the proceeds of the sales of this lumber to the bank until it was paid in full. Instead of doing that they used them in paying another creditor. As between these parties Hale & Murchie cannot complain if the bank realizes on its securities, and if there is a dispute between J. Murchie & Sons and the plaintiff, or between the plaintiff and his partner, the parties can settle it among themselves.

The bank has no interest in these accounts unless its claim against Hale & Murchie, which it is seeking to realize from the securities, would be affected by the result; which, in my opinion, would not be the case. I can see no reason whatever why the bank, holding the securities on the lumber and on the licenses for the one debt should be debarred from realizing on the licenses because a portion of the other security had been received by the plaintiff and his partner. The bank could surely, at its own instance, relinquish a part of its security and if there was any fraud, or the bank did not relinquish, the plaintiff and his firm, having the benefit of the money, cannot complain.

The plaintiff's bill must be dismissed with costs and out of the fund in court the bank must be paid the amount due it for its advances; and it will be so ordered.

REPLIES TO LAW AND BANKING QUESTIONS.

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

A reasonable charge is made for Special Replies asked for by correspondents—to be sent promptly by mail.

Editor Bankers' Magazine: MILLER, S. D., Aug. 24, 1903.

SIR: Can the paying bank recover from indorsers on a forged check after it has accepted and paid the check? CASHIER.

Answer.—The general rule is that a bank is bound to know the signature of its depositors, and where it has paid a check it cannot be heard to say that the drawer's signature is a forgery. But this rule applies only in cases where there has been no fault on the part of the person to whom payment has been made. In First National Bank of Danvers vs. First National Bank of Salem, 151 Mass. 280, the rule was stated thus: "To entitle the holder to retain money obtained by forgery, he should be able to maintain that the whole responsibility of determining the validity of the signature was placed upon the drawee and that the vigilance of the drawee was not lessened, and that he was not lulled into a false security by any disregard of duty on his own part, or by the failure of any precautions which from his implied assertion in presenting the check as a sufficient voucher, the drawee had a right to believe he had taken." And in Deposit Bank of Georgetown vs. Fayette National Bank, 90 Ky. 10, it was said: "Notwithstanding some conflict of authority upon the subject, a careful investigation of the adjudged cases and the text books leads us to the conclusion that the bank can recover of a party to whom payment is made on a forged check, indorsed by the party to whom paid, where the party to whom paid has been guilty of negligence in receiving and indorsing the check; for, notwithstanding the negligence to some degree that the paying bank has been guilty of in paying the forged check without detecting the forgery of its depositor's signature, it often happens, or may happen, that the party to whom payment is made has been guilty of the first negligence in purchasing and endorsing the forged paper." The question of liability and of the right of the drawee bank to recover, must depend, therefore, upon the circumstances of each particular case. (See also People's Bank vs. Franklin Bank, 88 Tenn. 299; First National Bank of Crawfordsville vs. Indiana National Bank. 4 Ind. App. 355; National Bank of North America vs. Bangs, 106 Mass. 441; Ellis vs. Insurance Company, 4 Ohio St. 628; First National Bank vs. Ricker, 71 Ill. 439; Rouvant vs. San Antonio National Bank, 63 Tex. 610.)

THE BEST OF ITS KIND.—THE BANKERS' MAGAZINE, of New York, is in our opinion the leading journal of its kind in the world. We wish it a long continuance of the success that has so emphatically marked its career. There is a great field for it, and we have no doubt that its labors will be abundantly fruitful.—*The Review, Sydney, Australia.*

* THE PRACTICAL WORK OF A BANK.

EMBEZZLEMENTS AND DEFALCATIONS.

I.

Thievery antedates any system designed to protect property or to apprehend the thief, and these systems have been brought to their present state of perfection largely through his ability in manipulating devices and skill in foiling detection. Checks and verifications, in particular, have been enlarged and adjusted each time an embezzlement of novel character has been discovered. Usually, in such cases, extraordinary attention has been given to the checking of the more complex departments of the bank, while the simpler ones have been slighted or overlooked entirely.

Somehow we are too prone to believe that stealing will be done in one of the old ways. Unfortunately, the thief has no respect for formality, and we meet an unpleasant surprise. Check systems, while important, are not, in themselves, the means and the end in guarding the bank's funds. There are other considerations of equal importance. For convenience of discussion, the topics may be designated as follows:

(1) The selection and employment of clerks.
(2) The management and discipline of clerks.
(3) The management of funds and securities.
(4) Checks and verifications.

The Selection and Employment of Clerks.

Every clerk should be selected on account of his fitness for the position. Unfortunately, this rule is not always followed. In many cases the large stockholders place their sons or other relatives in bank positions, simply because they have the power to do so. No thought is entertained as to whether they have all the qualifications necessary for the place. In fact, it is too often the case that a pull is considered of more importance in getting one into a bank position than ability and fitness. This method of employing clerks has undoubtedly been the cause of many embezzlements.

The character of every candidate should be carefully scrutinized before he is placed in a responsible position. An acquaintance covering a few years is rarely sufficient to judge of the true character of a person. It is better to know his whole life, and whenever possible something of his progenitors. If there is such a thing as kleptomania, the sufferer should have no place in the bank. The power to resist the temptation to steal is too weak in the normal without incurring an extra hazard by employing those inclined to be "light-fingered." Hence, acting on the safe side, the bank should know that the clerk is descended from honest and upright people.

The applicant should have a keen sense of honor. He should be of an economical turn and not given to extravagant habits. Above all, he should be temperate and no gambler. He should have stability of character and be a person not easily swayed by others.

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* A series of articles to be published in competition for prizes aggregating $1,050, offered by The Bankers' Magazine. Publication of these articles was begun in the July, 1901, number, page 18.

Having been satisfied that the applicant has ability and the other essential qualifications, it is important to see what influences surround him. If he has been reared in a congenial family, and especially if he has a family of his own, it will be a secure anchor, holding him firmly in the line of duty. Too much importance cannot be attached to temperance. Strong drink is the latch-string that opens the door of dishonor. The drinking habit, when once formed, is an uncontrollable power dragging its victim to the commission of every crime known to criminal nomenclature. When the appetite is inherited, it is occasionally kept in a state of abeyance or suspense, smouldering-like, and by a chance suggestion bursts into fury. The legatee is the obedient tool of an unscrupulous master and nothing is secure in his keeping. For this reason reformed drunkards and gamblers are not safe men. They should not be employed.

The Management and Discipline of Clerks.

If the first requisite is to employ clerks on account of fitness, and only those free from vicious tendencies, the second is to see that such tendencies are not developed. Bank clerks are not immune from acquiring vicious habits. The history of defalcations shows that unfavorable associations have developed baneful practices, after persons were placed in responsible positions. The loss of the funds and the ruin of the employee are traceable directly to these associations. Clerks should be given to understand that such associations, if persisted in, are at the peril of instant discharge. Bank clerks occupy a false position in society. The public generally seem to think that because one is employed in a bank he should be equal to any task, regardless of the expense that might be imposed on him in a social way. Many a clerk (and the bank also) has come to grief by vainly trying to maintain a social position entirely out of proportion to his income. If the clerk has to wear better clothes and meet expenses not expected in other vocations, he should at least be entitled to better pay. Liberal salary, within prudent limits, is always legitimate and will promote the interest of both bank and employee.

Every clerk who practices economy and has habits of thrift will have a surplus left of his salary each month over current expenses that he will want to invest. This is important to both bank and employee. A bank clerk is in a position to see many business transactions. Often transactions that record phenomenal margins pass under his observation. Lacking experience and looking only on the bright side, he is tempted to enter such speculations himself. Of course the outcome is easily foretold. Assessments and margins are called. Having over-invested he has no means of protecting himself except by borrowing from friends. This is temporary relief only. Soon other margins and assessments are demanded. The perplexity of the situation is heightened by the clamor of friends for the return of money loaned. What is to be done? He can neither repay friends nor redeem his investments. He is advised that things will change in a very few days. He takes the fatal step and "borrows" from the bank—he will repay and no one will be the wiser—friends are paid and the margins advanced. He nervously awaits the turn of events, but the situation continues to grow worse. Now he is a defaulter. In desperation he makes further "loans" from the bank in efforts to repay the amount already taken. Each investment only adds to his misfortunes. If not detected and cut short, the career usually ends by a gigantic steal and the trusted employee becomes an absconder.

If the bank had given encouragement to investment in legitimate enterprises, there would have been no embezzlement. Some bank officials court a seclusiveness and are possessed with an idea that the bank's stock and the institution's securities are too sacred to serve as investments for the clerks. Moreover, it is beneath his dignity to have the clerk's name among the list of shareholders even nominally. He seems to lose sight of the fact that the weal or woe of the concern is more or less in the hands of the clerk, and he is brought to a realization of it only after it is too late. Investments by the clerk should not be made mandatory. The opportunity should be presented in such a way that it will be taken as a courtesy and as an accommodation. This will have a beneficial effect in two ways: (1) The clerk's investments will be made in legitimate lines, thus avoiding any hazard by keeping the clerk out of questionable speculations; (2) he will be satisfied with his position and feel that his services are appreciated and that he is regarded as something more than a mere machine.

An important feature in connection with the management of clerks is vacations. Aside from the rest and recreation it gives the employee, it presents an excellent opportunity for making a rotation in the working force. If any crookedness has been practiced, it will easily be discovered by one performing the duties of another.

By discipline is meant that each clerk is charged with the performance of a specific duty and is not allowed to work, even if competent, in any other department, only on special occasions such as sickness or vacation of other employees or when a rotation is made purposely. The responsible positions should be trusted to as few persons as possible, consistent with reasonable dispatch of business.

Means should be provided for the complete identification of work passing through the hands of each clerk. This is accomplished by organizing the bank into separate departments and by a classification of the bank's customers. For example, the departments might be: Cashier's, teller's, collections, exchange and bookkeepers', etc. Each of these may again be subdivided into as many sub-departments as desired, viz.: the Cashier's department into first Assistant Cashier, second Assistant Cashier, etc. The teller's department as paying teller and receiving teller No. 1, 2, 3, etc., in each case. The exchange into foreign exchange and domestic exchange. The bookkeepers as individual and general.

By classification of customers; as mail teller, receiving teller No. 1 A to G., individual bookkeeper A to G., etc.; National bank bookkeeper, State bank bookkeeper, etc.

All work passing through each department can be identified by initialing, or by the use of a small rubber stamp, or in the case of classification of customers, automatically. The receiving teller's departments and bookkeeper's departments are the only ones that can be successfully operated by a classification of the customers without confusion.. A combination of both methods is necessary to success.

The receiving teller should be charged with the responsibility of all money coming into the bank. It is from him that all customers take receipts, either in the shape of deposits entered into pass-books or certificates of deposit. It is necessary that the department be conducted in such a way that the teller can be held responsible. The practice of permitting several persons to receive and enter deposits in customers' books is bad. Figures alone cannot always be identified, and it offers a loophole for the dishonest.

Every depositor having a check account should be required to accompany each deposit with a deposit-tag filled out in the handwriting of the person making the deposit. Under no circumstances should the teller be allowed to make deposit-tags. If the teller makes the ticket there is nothing to prevent him from making one for a less amount than the figures entered in the pass-book and he can appropriate the difference. On the other hand, a dishonest depositor can very easily alter the amount entered in the deposit-book by a simple stroke of his pen and contend that the teller has embezzled the difference between the amount shown on the pass-book and the amount credited to his account on the books of the bank. The practice puts the bank in a double peril—internal and external robbery.

It is advisable to have the teller countersign all certificates of deposits and drafts issued under his direction, not as a means to add to the genuineness of the draft, but in the sense that he certifies he has received the funds for which the paper is issued. In no case should drafts or certificates of deposit be signed in advance, in blank, but when the amount is received for which the check is issued, the teller should sign the space designated "countersigned by" and then the Cashier or other officer should sign. In this way each officer is a check on the other.

When transfers are made from one account to another, perhaps through different departments of the bank, or even outside the bank itself, the warrant or memorandum check authorizing the transfer should be filled in with both figures and writing and be signed by the department of its origin. The following is a good form:

Charge National Bank of Commerce, St. Louis, ($5,000) Five thousand dollars and credit Omaha National Bank, letter May 10, 1903. To the National bank bookkeeper. (Signed) J. Blank, Cashier.

This form may be modified to suit transfers outside the bank or to distant points.

The Management of Funds and Securities.

In the management of funds and securities such as United States bonds, etc., one and one person only should be charged with the responsibility of their custody in each of these departments.

The teller or Cashier, as the case may be, should have sole charge of the safe together with its combination and contents. Two persons under no circumstances should, at the same time, be in possession of the combination. A copy of the combination should be kept by the person responsible for the funds and another copy, carefully sealed with his private seal, delivered to the President, and this seal should only be broken in case of death or unforeseen events, and then only in the presence of witnesses.

Money should be carefully counted when delivered to persons in whose charge it is to be during the business hours, and again carefully counted when received by the party responsible for its keeping. Departments containing cash should be locked and access given to none except the person in charge. When two or more persons have access and have been in a department containing funds the dishonest can steal and charge the innocent with the crime. Of course the innocent will deny the charge as also will the guilty. It is one of two, but which? Things should never be conducted in such a manner that you cannot tell who the embezzler is.

Checks and Verifications.

A system of checks may be treated under two heads. The function of the first would be in proving that the system of accounts (bookkeeping) is mathematically and methodically correct. That is to say, to see that each credit entry is accompanied by cash or has a corresponding charge, and that all footings are correct. The function of the second would be to examine each account and ascertain conclusively that each item of record belongs to the account in which it appears.

The accounts, cash on hand and stocks and bonds, can properly be considered under the first head. If the system of accounts is found correct, a careful count of the cash and securities held by the bank will agree with the balance shown in each case. If there be an embezzlement, simple in its character, without any efforts at concealment by means of false entries, it will be apparent on the completion of the count. Nearly all embezzlements are accompanied by efforts of concealment, and are transferred as a (false) charge to some account. Detection can be had only by verification of accounts by checking each item.

The best mode of verification, of both general and individual accounts, is through the means of monthly or semi-monthly statements, or rendering of accounts by transcript or by means of pass-books. When statements of all the accounts are made out and ready for the mail, or delivery otherwise, the auditors in charge should make a careful comparison of the balances as shown by the statements of accounts rendered with the balances as shown by the books of the bank, being particular to see that they agree. Then the mailing and delivery are done independently of the office force, and all mail touching the correctness of the work is received in a like manner.

In the case of correspondents acting as reserve agents and others carrying funds on which the bank is allowed interest on daily balances, verification and reconciliation of balances should be made by a careful checking of statements received from such correspondents, due allowance being made for floating drafts and items in transit, to and from the bank.

This method would make a complete verification of all the accounts as often as once a month, or as often as accounts are rendered. The verifications can be made daily by employing a set of voucher clerks. The duties of these would be to write up customers' accounts each day on statement blanks and voucher lists, and call each item back and verify them with the amounts by the bookkeepers, on the ledger. By so doing one set of clerks can keep a complete check on the other in addition to guarding against errors and having the statements always ready for delivery.

Voucher clerks should be charged with the responsibility of the custody of paid and cancelled vouchers. These old checks are important and should be kept so that no one shall have access to them without the knowledge and consent of their custodian. Otherwise dishonest dealers in collusion with dishonest clerks might make trouble.

The system of checks employed in the largest banks is entirely impracticable in the smaller ones. When the volume of business justifies, a corps of auditors can be in constant attendance and two sets of books of original entry used, one containing the business of dates of odd numbers and the other of the dates of even numbers, each set being checked and used again in rotation one day behind the regular business. Each item of entry, both debit and credit, can be verified by a careful checking of remittance and deposit tags, and mail received from correspondents, and acknowledgments of the receipt of all items and remittances sent to correspondents by the bank itself.

The bills discounted should be carefully listed and footed, to prove that the sum total agrees with the balance carried on the books. Likewise a list should be made of the certificates of deposit, the Cashier's checks, certified checks, and dividend checks unpaid and outstanding, noting carefully, in each case, that the sum total agrees with the balance carried on the books under each head.

All examinations made by National bank examiners are conducted with a view of protecting the bank's solvency and apprehending crookedness as short in cash, or securities missing and falsified accounts, and little or no attention is given the profit-earning side of the concern. This, of course, is all that properly concerns the Government, yet in an exceptionally few cases, even in private examinations, is the checking made to extend beyond these lines. Seldom is the investigation made complete enough to verify that each item of profit, either as interest collected on loans and coupons on bonds or exchange and commissions, have all been credited to their respective accounts and that the bank has not been robbed by their misappropriation. The bank suffers equally as much by being robbed, systematically, of individual items of profit, as it would by reason of a defalcation. The only difference is the one wipes out the surplus after it is built up, while the other prevents its being built up. Yet bank officers check against fraud in one and not the other.

To facilitate this checking a complete record should be made of each loan, showing date, amount, time and rate per cent., and gross amount of interest collected.

The record should be sufficiently comprehensive that each item can be checked and the amounts footed and compared with the figures carried to the account, interest and discounts. All interest-earning securities and departments collecting exchange and commissions should be handled the same way as outlined for loans. The records, of course, being slightly varied so as to suit the particular department.

Examinations should be made not only at regular intervals, and be considered a part of the bank's routine, but there should be special examinations, at times unexpected to the employees. Especially is this important in the departments having cash and securities. All counts of cash should be in the presence of the employee in charge of the department and no opportunity given for outside additions, such as putting in checks or even cash not belonging to the department or the bank itself.

In all checking an alert eye should be kept for fictitious or forged paper either as notes in charge of the Cashier or as checks held by the teller. In case of doubt of the genuineness, verification should be made by communication with the purported maker and presentation of the checks.

Bonding Employees.

Banks as a rule require employees to give bonds for the faithful performance of duty, and such bonds are usually furnished by a surety company. In the larger cities these companies have secret agents whose business it is to keep a surveillance over the clerk so bonded and are required to report promptly any irregularities, indicating questionable character or speculations on the part of the employee. This knowledge acts as a restraint on the clerk and at the same time the bank is indemnified from possible loss through thefts. This is one of the most effective means of protecting the bank from loss through dishonest employees.

While it is desirable to apprehend dishonesty the instant it is practiced, the primary object of all considerations should be to prevent rather than to detect wrongdoing. Prevention is always better than apprehension. Like the quality of mercy, it is twice blest. It blesses the bank in avoiding a loss incident to an embezzlement, and it blesses the employee by saving him from degradation and ruin.

PETER COOPER.

PROFITABLE BANKING.

Banking, like every other kind of business, is carried on primarily for profit. Although banks may, and often do, perform important services gratuitously, even these should be made to minister indirectly to the earnings of the capital account. Incidental questions, such as taking checks at par, furnishing exchange free, paying interest on balances, etc., should all be handled with the one aim in view—the profit of the bank. There is nothing else that need be considered in dealing with these matters. So far as the bank is concerned no principles are involved. The poorly-managed bank may declare it immoral to pay interest on deposits; but the bank that can pay interest and still handle the funds safely and profitably, knows better. So with exchange and country checks.

Were each bank permitted to make its own rules in these matters, it would tend to show which banks are most capably managed. Every account must show a reasonable profit. That is the one thing to be kept in mind. For if some accounts are profitable while others are not, the bank is taxing its paying business to meet the deficiency of the non-paying accounts. Instead of lopping these latter off altogether, it is an evasion of the real issue to shift the cost of carrying them on to the shoulders of the bank's best customers. In cashing A's out-of-town checks at par there may be a loss, while B's may yield a profit. Why tax B for A's delinquencies? The profit is what the bank desires.

Advertising is being studied by progressive bankers as never before. The most successful banks in the country are advertising in a manner that shows that intelligent consideration is being given to this means of increasing business. Care and judgment are just as necessary in advertising a bank as in loaning its money or credit. Some of the most rapidly growing banks in the country to-day are large advertisers, and they readily acknowledge that their prosperity is largely due to this fact. The non-advertising banks are falling behind in the race already, and in a short time their position will be so far behind as to be lost beyond recovery.

SAN FRANCISCO.

A BRIEF HISTORICAL SKETCH AND REVIEW OF THE CITY'S BANKING, COMMERCIAL AND INDUSTRIAL INTERESTS.

At the last meeting of the American Bankers' Association, at New Orleans, a delegation of California bankers presented an earnest and cordial invitation that the next convention should be held in San Francisco. This invitation was accepted by the executive council last April, and subsequently October 20, 21, 22, and 23 were fixed as the dates for holding the convention in that city.

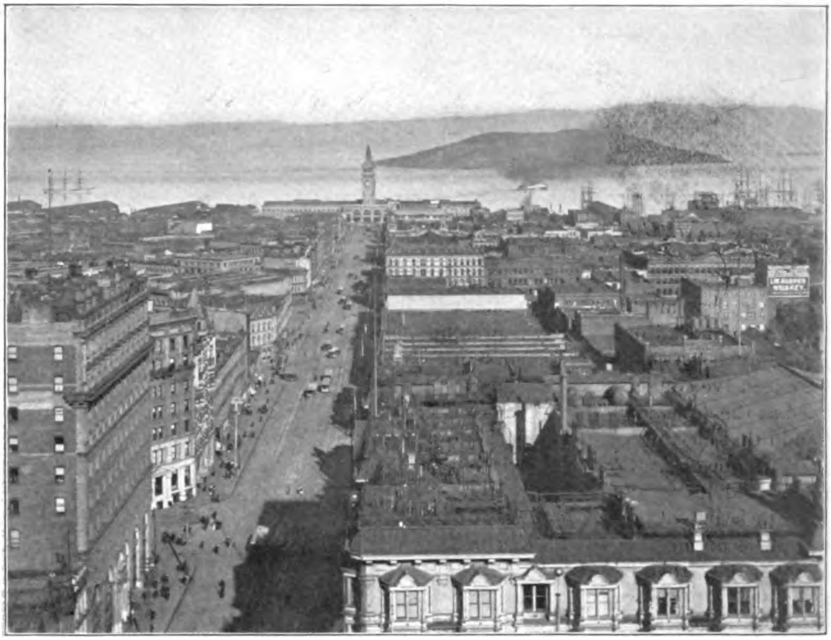
Mission Dolores,
Established 1776.

With one exception the association has never held its sessions so far from the Atlantic seaboard, when the same city was the place of meeting. This was in 1892. Many of those then in attendance from the coast and the more distant parts of the country have since ceased from earth's toils, and have gone to their eternal rest and reward. The delegates to attend the next convention on the Pacific Coast will comprise many new men, some of whom were not even then in the banking business, and also some who have never before been on the coast. Naturally, these and others who expect to be in attendance at the convention would like to know something of the city and, incidentally, of the State.

Historical Sketch of the City.

More than fifty-seven years ago (on July 9) the American flag was first raised, in what has since been known as Portsmouth Square, by Captain Montgomery of the war sloop Portsmouth, then lying at Yerba Buena. The rising ground on which this event took place was christened after the sloop, while the main street running in front, a few hundred feet to the east, was given the name of the captain who performed the ceremony. A day or two previously the flag had been first hoisted on California soil at Monterey by Commodore Sloat, in connection with a proclamation in which it was announced that "henceforth California will be a portion of the United States." The same proclamation promising protection to the person and property of peaceable citizens.

That was the beginning of the American occupation of what has since been known as San Francisco. Captain Montgomery appointed one of his lieutenants, Washington A. Bartlett, as alcalde for Yerba Buena, to supersede Noe, the Mexican alcalde. Three weeks after the raising of the flag the town was excited by the appearance of a sail vessel coming into the harbor with her decks crowded with people, many of them women and children. At first sight of the vessel Captain Montgomery had the Portsmouth cleared for action, thinking that those on the strange vessel had come prepared for a fight, but the illusion was soon removed. It was the ship Brooklyn from New York with a colony of emigrants, who had set out for Oregon, but dropped into Yerba Buena Bay. The party consisted of 238, all, with



MARKET STREET, LOOKING EAST FROM SPRECKELS BUILDING.

the exception of about a dozen, Mormons, with Samuel Brannan as the leader, with a printing outfit, which was found most useful in striking off official notices, proclamations, blank deeds and alcalde grants, and later in the publication of a weekly paper known as the "California Star."

The name San Francisco was adopted by a decree from the alcalde in January, 1847. Probably the real reason for a change in the name was to head off a rival town that had been created some thirty miles north by a few influential and wealthy people. This was on the north shore of the Carquinez Strait, which had been given the name of Francesca. Alcalde Bartlett and his advisers were aware that while San Francisco Bay was known by many people, few had ever heard of the village of Yerba Buena, or could long remember the name after learning of it. The name of San Francisco would fix the locality in the mind of all, and so the decree was published settling the name of the city for all time. The promoters of the new town up the bay having failed to make Francesca the metropolis of the Pacific Coast, changed the name to Benicia, and the locality still bears that name, and is content with its environment.

SITUATION OF THE CITY, PARKS, ETC.

From the mission village of Yerba Buena in 1846, containing a few score inhabitants, there stands in 1903 the metropolis of San Francisco, with about 400,000 inhabitants, the largest of the younger cities of the United States. In many respects San Francisco is an ideal city. It is the most western of all the American cities, the one receiving the last rays of the sun at the end of the day's run. Beautifully situated, on rising ground, with much level area for business and residence purposes; bounded by the Pacific Ocean on the west, the Golden Gate entrance to the bay on the north, and the finest bay in the world on the east, stretching to the south for nearly fifty miles. The peninsula varies in width from six miles at its most northerly boundary to twenty miles at the southerly boundary. Good sea breezes generally prevail, though sometimes accompanied with fog. The sanitation is excellent and the death rate light.

In addition to a number of small parks in the thickly-settled portions of the city, San Francisco has two large parks of national reputation. The Golden Gate park, stretching out to the ocean beach, is one of the largest and finest in the country, and is open and visited by large numbers on every day in the year. The Presidio, or National Park, at the entrance to the harbor, is generally conceded to be the most elaborate quarters for the army in the United States, and regiments located there esteem the privilege very highly. The city is most thoroughly traversed with electric and cable cars, and there is a generous transfer system by means of which one can take a long ride for a single fare. Elegant excursion cars are daily run over the most scenic points of the city at a round-trip rate of twenty-five cents, accompanied by a conductor who announces all objects of interest on the route.

The Sutro Park, at the Cliff House overlooking the ocean, is a free park, although not owned by the city, and is a most charming spot from which to watch incoming and outgoing vessels, and strollers on the beach, of which there are large numbers on almost every day in the year. Seal rocks, close into the shore, covered with live seals, are objects of much interest. The Sutro Baths, built right at the edge of the ocean, with tanks filled with the flowing salt water, having different temperatures, furnishing the most unique bathing place to be fond in the country, and is visited by hundreds daily. In connection with the establishment is a museum having a large collection of rare curiosities. For a single fare of five cents one can take a car at the ferry and by various routes proceed direct to the Cliff House on the ocean bluff and take in at the end of the route the Sutro Park, Sutro Baths and Seal rocks.

CLAUS SPRECKELS BUILDING.

GENERAL CHARACTER OF THE IMPROVEMENTS.

San Francisco improvements are largely wooden structures. This is especially true of the residence districts. It is rare to find a brick or stone residence, though there are quite a number of them in the city, some of which are large and costly. The Flood mansion, on California and Mason streets, built of brown stone brought from the East, is a notable instance of the more substantial private residences. The Claus Spreckels mansion, on Van Ness avenue, built of red brick, with its heavy steep slated roof, has no duplicate here or perhaps this side of Chicago. The large residences on Nob Hill, formerly occupied by the great railway magnates — Stanford, Crocker, Huntington and Hopkins—are all wooden structures. The Hopkins residence, the most artistic of these four, has long been devoted to the uses of the Mark Hopkins School of Fine Arts.

The business blocks of the city are, of course, more substantial. The past ten years has witnessed many desirable changes of this character in the business district. Modern and substantial brick, stone, and iron buildings have risen in many directions. Whole blocks have been rebuilt during this interval. Steel-frame buildings with stone or brick facings are now quite common, and many of this character have been erected, and many more are in process of erection. No one any longer fears damage to such structures from earthquakes, while losses from fire are minimized. Some fine office buildings, with latest modern equipments, have been erected in the past few years. The Hayward Building at California and Montgomery, the Rialto Building at Mission and New Montgomery, where is housed the office of the United Railroads, are two of many that might be mentioned. The Flood Building, in process of erection at Powell and Market on the site formerly occupied by the Baldwin Hotel, is to be an office building of magnificent proportions.

San Francisco is pre-eminently a city of hotels and boarding-houses. There were never so many private hotels and apartment houses in operation as now, and many more are in process of erection. Most of these are of the latest modern type, large and elegantly furnished. Among the larger public hotels, the Palace still takes the lead with the traveling public. The new St. Francis Hotel on Union Square, which will not be finished for some months, will take the leading place among the down town hotels as soon as it can be thrown open to the public. The Fairmount Hotel on California, Sacramento, Mason and Powell, the foundations for which are now being laid, will be the largest structure of the kind in the city, and will command a most sweeping view of the city, the bay, and the counties across the bay, including Mt. Diablo and Mt. Tamalpais. There will be no attempt to outdo that enterprise in this city in the next generation.

Commercial and Industrial Activity of the Population.

Something else is needed besides a fine site covered with buildings of various sizes and descriptions, and well occupied with people, to make a city great and prosperous. All these things are essential factors in the problem, but there is one thing lacking, and that is the power to make these accessories achieve something. In the well equipped factory or railroad this power is steam. In the well-equipped city this power finds its best illustration in the ability of the people to create and foster business of all descriptions. Some cities are better situated than others for promoting trade and industry, but it is in the power of every city to enlarge upon its natural advantages. San Francisco is fortunate in being well located and in having a climate that serves as a tonic for bringing out the best possible work on the part of everyone. Long days of hard work are attended with little weariness, and there is not a better locality on the globe for obtaining nights of refreshing sleep. This accounts for the intense activity so observable in all the vocations of life.

As to inland trade, San Francisco can reach out in only three directions, north, south, and east. But that is practically true of all sea-coast cities with respect to domestic trade. There is always a water side. Fortunately for these cities, the water side is frequently the most profitable direction in which to look for trade, though it be of a foreign character. This is particularly true of San Francisco. The water side here makes trade possible at three points of the compass—west, north, and south. San Francisco is the open door to America's most direct trade with the Orient. Since the occupation of the Philippines by the United States, the Orient has been brought into a degree of prominence previously unknown. The direct cable connection with Manila consummated on July 4 by the first messages over a wire controlled by American enterprise, marks the beginning of a new era in the commerce between the United States and the Orient, the development of which will be watched with interest.

Progress of Banking in San Francisco.

Whether business fosters banking or banking fosters business is immaterial. It is sufficient to know that there is a vital bond of interdependence between banking and business. In a small town and in a small way, it may be possible to transact business without the presence of a bank in the locality. But even under such circumstances, it is possible that the volume of business might be increased and find more rapid development through the agency of a bank. In the larger towns and cities banks of course are indispensable. They serve as the warehouses where money is stored for the convenience of those who need it and who are willing to pay something for its use. The better the supply and the easier the terms for its employment, the greater will be the demand under normal business conditions. The

New City Hall.

banker is simply the warehouseman for gathering up and loaning out the surplus funds of the community, or State or country.

The history of banking in California is somewhat unique. It has largely followed lines of its own creation. Though at the time the State came into the Union State banks of issue were the rule throughout the country, the issue of bank notes was interdicted by the organic act. There has, therefore, never been a California State bank note in circulation. When the Government was compelled, through the stress of war in 1861 to 1864, to issue its notes for the payment of troops and the purchase of supplies, California did not take kindly to even that form of paper money, and such as found its way here was quoted in the market the same as any other form of produce. When the National Bank Act became operative and State bank notes were taxed out of existence, California did not care to avail itself of the provisions of that act, and it was not until Congress specially provided for the creation of gold-note banks that the bankers of this State consented to handle even Government paper money.

Had California assumed Statehood under different conditions, its currency system might have followed more closely the lines prevailing in other parts of the country.

But the people of this section came into a monetary inheritance vouchsafed to no other State on anything like such a liberal scale up to that time. This consisted of gold banks to the right and gold banks to the left, in front and in rear. This inheritance more than compensated for the isolation of the State from the great money centers of the country. Real money, and not paper promises to pay real money, was right at the doors of those who needed it. The only thing required was the effort to wash it out of the gravelly beds of the old rivers, sluice it from the banks, or dig it out of the rocks. The people could not be blamed for using this kind of money. They sent millions of it to the East to sustain the credit of the Government, when it most needed help of that sort, and it always had enough left for local use.

The pioneer banks of San Francisco were private affairs, sometimes controlled by a single individual and in other cases by a firm. Prior to the establishment of the United States mint in San Francisco in April, 1854, most of the monetary transactions were settled in gold dust and slugs by weight at so much per ounce. Private assay offices turned out some octagon coins of the value of $50. Small money was not in such demand then as now. The opening of the local mint changed these primitive customs, and gold dust and gold bars went to the mint in exchange for the beautiful and perfect coins which the Government has ever furnished the people. These early private bankers were generally honorable men, and they retained their form of business many years. Some of the strong incorporated banks of the city are the outcome and direct successors of these early pioneer bankers. At present all the banks in San Francisco are incorporated, and this has been the case for ten years or more. There are some private money lenders, but, like the Rothschilds, they style themselves merchants.

All the banks started in San Francisco are not in existence to day. The mortality along this line here is probably no greater than in other cities showing an equal number of organizations. Foreign banking has alwas been something of a feature, and was never so much of a feature as now. There are English, French, Italian, Chinese, Japanese, and Russian banks. In addition to the State incorporated banks, there are now seven National banks in the city, whose resources on February 6, 1903, were $53,657,895. With a single exception, all these were formerly State organizations. The exception is the First National, the oldest in the list and the first organized in the State. This bank was originally started as a gold-note bank, and was the first to come into existence under the law, which was availed of only by the bankers of this State. At one time there were some eight or nine of these banks in the State, all of which went under the currency system in 1879 upon the resumption by the Government of specie payments.

Banks have been under State supervision since May, 1878. Attempts were made to put them under supervision at an earlier date. The serious bank troubles in 1875 crystallized public opinion along that line to such an extent that the Legislature which convened in 1878 found little difficulty in framing a law to create a Board of Bank Commissioners. The commission consisted of three gentlemen appointed by the Governor to serve for four years. As soon as they entered upon their work fear and trembling seized certain bank officials, who knew they had been taking great risks, and the doors of four or five banks were soon afterwards closed for good and for cause. While no one has claimed perfect work for the commissioners, it is conceded that they serve as a sort of supervisory check against some of the weaker and more imperfect forms of banking.

The San Francisco Clearing-House Association came into existence in 1876. Such an organization was proposed at an earlier date, but it was difficult to get the local bankers to harmonize upon taking such action. The organization had not been in existence long before everybody wondered how they had got along without it. Until within a year there were two clearings daily, except on Saturdays. Now there is only one clearing daily. The clearings for 1877, the first full calendar year, were $519,948,800. The very next year showed an increase of nearly $200,000,000. Local bank troubles affected the volume for the next two years, and other causes have come in to make variations in the annual totals of clearings. In 1891, the amount was $896,426,700, but in 1894 the total was only $658,526,800. Since 1896 there has been a steady increase from $583,229,500 in that year to $1,373,352,025 in 1902, which was a gain of $195,192,500 over 1901. This year bids fair to exceed 1902.

The growth in banking in California in the last quarter of a century has been something remarkable. A compilation by the writer of all the known State banks was made in February, 1878. This was obtained through personal correspondence with the banks, and showed the condition of the banks on December 31, 1877. The law creating the Bank Commission in California in March, 1878, made the banks bear the expense of that body, by prorating the cost of the same on the deposits of the incorporated banks. The first assessment for that purpose was made on the statement furnished by the writer as of the above date. The first report of the condition of the State banks made by the commissioners was for June 30, 1878. That statement covered eighty-four incorporated banks, of which twenty-eight were Savings and fifty-six were commercial, and the total resources of both classes were $151,932,430, and the deposits $100,128,432.

On January 1, 1903, the Bank Commissioners had reports from 256 State incorporated banks of which sixty-two were Savings and 194 commercial, showing a net gain of 172 since June 30, 1878. The condition of the State incorporated banks in California on these two dates compare as follows :

Resources.	*June 30, 1878.*	*January 1, 1903.*
Bank premises	$3,025,654.08	$7,067,875.71
Real estate for debt	4,825,975.18	13,652,286.39
Bonds and stocks	6,442,272.74	97,014,124.51
Loans on real estate	67,193,691.74	120,604,499.66
Loans on bonds and stocks	15,390,067.32	36,970,580.84
Loans on other securities	2,722,962.67	13,869,879.92
Loans on personal security	20,811,113.24	55,430,411.83
Money on hand	14,791,217.35	26,041,136.00
Due from banks	8,191,064.02	50,266,147.65
Other assets	8,538,411.81	2,854,579.81
Total resources	$151,932,430.15	$423,771,522.32
Liabilities.		
Capital paid up	$37,515,973.02	$40,039,340.79
Reserve and surplus	8,715,388.03	34,513,048.18
Due depositors	100,128,431.79	333,245,383.35
Due banks	....	11,548,265.16
Public money	....	375,500.85
Other liabilities	5,572,637.31	4,049,983.99
Total liabilities	$151,932,430.15	$423,771,522.32

It will be noticed that the net gain in new capital is quite small, a little over $2,500,000. Had stockholders depended entirely on their own capital, there would have been no such increase in reserve and undivided profits as the comparison shows. This surplus is not money paid in by stockholders as of late years has been so common in new bank enterprises in other parts of the country, but is largely the net earnings of the banks after paying all expenses and losses and fair dividends to stockholders. The depositors are the ones who have furnished the funds on which the banks have made most of their money.

In addition to the State incorporated banks, there were twenty-one private State banks and fifty-one National banks in operation in California on January 1, 1903.

FERRY BUILDING—UNION DEPOT.

The resources and individual deposits of these several classes compare as follows on that date:

	Resources.	Deposits.
Savings	$214,985,905	$198,048,966
Commercial	208,785,618	135,196,417
Private	3,152,474	2,170,439
Total State	$426,923,997	$335,415,822
Nationals	100,792,867	58,195,686
Total	$527,716,864	$394,591,508
January 1, 1902	452,230,567	335,377,660
Increase for year	$75,486,297	$58,213,848

The gains in both resources and deposits for the calendar year of 1902 were the largest ever reported for any twelve months in the history of banking in the State.

There was a steady gain in these bank resources up to the bank panic of 1893, but the total gain for the six years ending June 30, 1893, was only $88,276,092 in resources and $52,665,262 in deposits. The gain in deposits for these six years was considerably less than for the last calendar year. On June 30, 1894, the 283 banks then reporting named their aggregate resources at $297,352,917 and their deposits at $196,980,863. Since then every year has shown an increase in these items over the previous year. The growth in banking resources in California in the past decade has been as follows:

	January 1, 1893.	January 1, 1903.
Savings	$149,825,048	$214,985,905
Commercial	132,991,127	208,785,618
Private	3,317,772	3,152,474
Total State	$286,133,947	$426,923,997
National	32,918,241	100,792,867
Total	$319,052,188	$527,716,864

The comparison shows an increase of forty-four per cent. in the resources of the Savings banks, fifty-seven per cent. in the State commercial banks, and over 200 per cent. in the Nationals. It is well to explain that most of the National banks in this State are simply conversions from State banks, some of which had developed considerable business before going over to the new system. The main reason for these changes is supposed to be in the lessened expense of conducting a National bank as compared with a State bank. The matter of note circulation cuts but little figure. Very few bills are found in circulation. Metallic money still holds its old-time place in ordinary business affairs. There is no longer any prejudice to paper money, every dollar of which of whatever character is regarded as good as gold, but there has been great difficulty in keeping the notes in the State. As the balance of trade is often against the coast, the notes form the least expensive form of cash remittances, and they fly away as soon as they are released at the bank.

All the Savings banks are capitalized, with one exception. This is the Hibernia Savings and Loan Society, which has the largest resources and deposits of any bank west of Chicago, and which has a reserve fund that is larger than the combined capital and reserve of any other Savings bank in the State. The law gives every Savings bank with a capital of $300,000 the privilege of doing a mixed business. These banks have been good money earners and good money distributors in the years gone by. Of late the interest allowed on deposits has been reduced to three and three and one-fourth per cent. per annum, which is hardly up to the standard of some of the older Eastern cities. Still the average amount to the credit of depositors in these banks is larger than in any other State. One reason for this condition of things has been the willingness of the banks to accept large sums on deposit from those who are supposed to be quite capable of making their own investments. Many of these banks have abolished term deposits, and all moneys are now treated alike on dividend days, which are January 2 and July 1.

Banking, as represented by the trust company, had slow development in this State for many years after such institutions had been flourishing in the stronger money centers of the country. For several years only one of these organizations had an existence in the whole State, and that one was in San Francisco. Now there is quite a number here and in the other large cities of the State, and of late years they have had a prosperous run of business. Some pretty large financial schemes

MUSIC STAND, GOLDEN GATE PARK.

have been engineered through these organizations. It is difficult to understand how we could now get along without them. The abundance of money here has made it possible to finance large local bond issues, which has been of much advantage to the people, as it has afforded a needed outlet for the local investment of money. The part these organizations play in the handling of estates is much appreciated, as it saves much useless expense and almost endless litigation. Evidently the trust company has come to stay.

California is proud of her banks and her bankers. As a rule, she has had reason to be. There have been exceptions, too many perhaps. There has been some loose banking and some failures, with losses that have occasioned much hardship. Such things are inevitable in every line of business. Taken as a class, the bankers of the State, considering the inexperience of many of them, and the trying conditions which all of them have had to face in the settlement of a State that has only recently observed its semi-centennial, it must be said that they have done well. They have ever had a high standard before them, and have endeavored to live up to it. They have ever stood for honest money, even at the expense of being called disloyal to the country. They had the solid gold under their feet, and were confident that it was only a matter of time when the advocates of fiat money would be routed, and the world's standard of values would have as staunch supporters in every State as in the Golden State of the West. They have lived to see their predictions fully verified.

Foreign and Domestic Commerce.

California's commerce is practically carried on through the port of San Francisco. A few lumber cargoes go direct from Eureka to foreign ports, and some grain cargoes have been shipped direct from ports Los Angeles and San Diego. Both ports import considerable direct from Australia and British Columbia, as well as a few cargoes of cement and general freight from Europe. This year the southern counties of the State have the largest grain crops in many years, but the best grain belt is north of the Tehachapi mountains. Some cargoes of grain will be shipped direct from the lower coast ports this year for the first time in six years, but only such ships as discharge their inward cargoes there will be thus favored. It is possible that half-a-dozen ships may get outward cargoes at San Diego before the end of the year. Two ships engaged for this service cleared early in August.

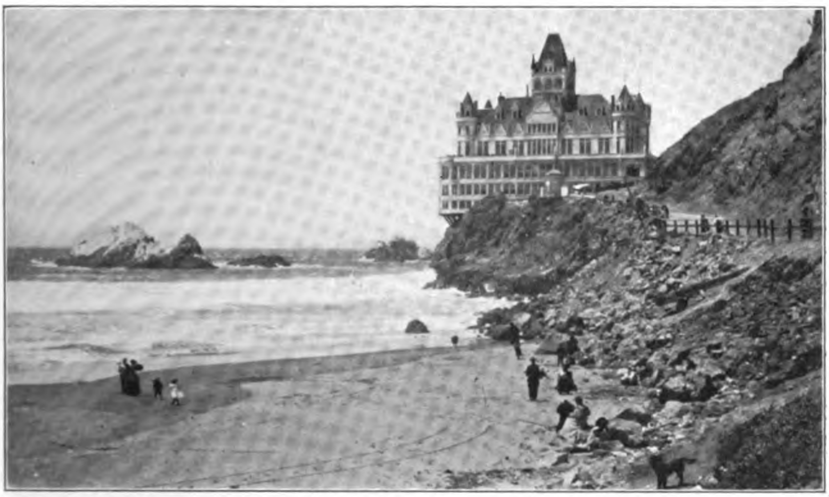
The foreign commerce of San Francisco for the last ten calendar years has been as follows:

Years.	*Imports.*	*Exports.*
1893	$39,405,000	$33,853,300
1894	38,514,700	26,410,700
1895	38,925,600	33,264,900
1896	36,414,900	43,514,000
1897	40,846,800	44,280,000
1898	36,063,100	35,852,500
1899	45,677,900	38,924,900
1900	39,424,400	41,419,700
1901	37,267,300	41,638,400
1902	36,078,300	47,601,400
Total	$388,618,000	$346,759,800

This review shows an average per annum of $38,861,800 in imports and $34,675,980 in exports. The commerce with the Hawaiian Islands was cut out between June 14, 1900, and May 22, 1902.

Of the imports for 1902, China and Hong Kong contributed $6,964,300; Japan, $9,005,600; East Indies, $3,453,300; and the Philippine Islands, $614,600, a total of $20,017,800 from these Oriental countries, or the equivalent of fifty-five per cent. from all the sources included in the report for that year. There was no statement of the value of the imports from the Hawaiian Islands in either 1902 or 1901, and only for the first half of 1900. The value for the five and one-half months in 1900 was $5,598,800. This shows an average of $10,000,000 to $12,000,000 per annum received from that source. Nearly all the Hawaiian sugar crop is sent to San Francisco, a portion of which is re-shipped direct to Eastern refineries. California has always looked upon the Hawaiian Islands as part of its own territory, as much of the capital employed there was obtained from this State, while the trade relations between the mainland and the islands has always been intimate.

Summarized, the exports from San Francisco in 1902 reached a value of $14,562,265 to Europe, $11,611,985 to Asia and Oceanica, $9,687,296 to Australasia and Polynesia, $4,930,479 to Mexico, Central and South America, and $1,864,769 to British Columbia, South Africa and other points, making a grand total of $42,563,796 to foreign ports. There was also a value of $4,937,628 shipped to domestic Atlantic ports via Panama and the Cape. The shipments to the Hawaiian Islands in 1902 were



NEW CLIFF HOUSE.

only for the last half of the year and embraced a value of $4,766,000. As much more for the first half of the year should be added to the grand total to make the record complete. The value of the exports to the Orient were $1,150,000 in excess of 1901, and $1,700,000 larger than in 1900. Great expectations are entertained in reference to this Oriental trade, on account of the large population available. But these people must be educated up to American ways of living before they become large consumers of American products.

The export trade with Europe is mostly confined to cereals and canned fruit and salmon. In years of good crops this trade is quite important. For the past three years the average has been about $15,000,000 per annum. The grain export trade of the port has been of great value to the shipping trade here, furnishing a large fleet of sail vessels with outward cargo in the direction which most of them wish to take after discharging cargoes here. In the last cereal year, owing to the light wheat crop of 1902, only 137 vessels were thus loaded, while for the previous cereal year the total was 213. Even that large total is small when compared with the movement in years of big crops. On account of this special feature in the export trade, more square-riggers visit San Francisco during the year than any other port of the United States. Of course Eastern Atlantic ports enjoy a much larger trade, but steamers play a more important part than the full-rigged ships in the Atlantic trade.

Exclusive of the large number of sail vessels and steamers employed in the Pacific Coast domestic trade, there were 481 arrivals here from foreign ports in 1902, representing a total tonnage of 657,963, all under sail, and 416 steamers having 868,441 tonnage, while from domestic Atlantic ports there were seven sail vessels of 16,118 tons and fourteen steamers of 55,316 tons. The large fleet of big steamers of the American-Hawaiian Steamship Company have superseded ships between New York and San Francisco, and the only sail vessels now arriving here from the other side of the country are the few coal ships from Baltimore. The shipping trade of the port is a very important feature, and represents several million dollars annually in tonnage and other dues, inward and outward freights, wages and salaries of crews and officers, supplies, repairs, and insurance. The use of steamers in the foreign as well as in the coast trade has injured the sail trade to some extent, but at the same time it has created much traffic not before considered possible.

The facilities for loading and unloading vessels are of the most generous and modern character. There is a long stretch of wharves and piers along the water front, and extensive grain warehouses and docks for the grain fleet thirty miles up the bay. For the cleaning and repairing of vessels there are docks to accommodate craft of all sizes. The new dock, hewn out of solid rock, adjoining a similar one in use here for many years, though much larger, can accommodate the largest vessels afloat. It was built at a cost of over $500,000. It is 750 feet long, 122 feet wide at the top and eighty feet on level of the top of the keel blocks, with twenty-eight feet of water over sill at high tide. The first vessel to be docked was the battleship Ohio last January. This vessel is 393 feet long, 72.2 feet wide, and drew seventeen feet of water when she went in. At the narrowest point there was four feet to spare on each side, and 357 feet between stern and dock gate. Since then the cruiser New York and the Pacific Mail liner Korea have been docked with ease. Two years were spent in building this dock, which is one of the wonders of the country.

Some of the Productive Resources of California.

Grain is the chief export staple by water. An average wheat crop is about 1,000,000 tons, though it has not reached that total in the final clean up for several years. The largest crop produced was in 1881, amounting to 1,750,000 short tons. The last 1,000,000-ton crop was harvested in 1901. In four preceding years the crop was from 923,000 to 976,000 tons. In four of the other years it fell below 700,000 tons, and in one of these four years the yield was only 367,000. In 1902 it was 616,000 tons, and it will probably be no larger than that this year, though last spring there was good promise of 1,000,000 tons. Unfavorable weather at the critical stage accounts for the shrinkage. Besides, the increased attention given to the cultivation of barley has been at the expense of wheat acreage. There has been quite a large trade created in Europe for California brewing barley, for which there has been better remuneration than for wheat. California is the largest barley-raising State in the country.

The fruit and wine interests of the State have, for many years, been forging to the front as affording better returns than grain raising. There is now a very heavy trade annually in fresh, dried and canned fruit and wines. For the past five years the pack of canned fruit has been from 2,000,000 to 3,000,000 cases, each case containing two dozen tins. The number of cars of deciduous fruit sent out of the State in the past four years has varied from 6,459 to 7,141, the largest number having been in 1902. The shipments last year were 2,011 cars of pears, 1,777 cars of peaches, 1,038 cars of grapes, 1,478 cars of plums and prunes, and the remainder consisted of apricots, cherries, apples, quinces and figs. Nearly all varieties of fruit are produced here in abundance. The prune crop last year was 150,000,000 pounds, of a value of $4,250,000. The raisin crop was 4,800,000 boxes of twenty pounds each, valued at $4,950,000. There were 22,500 cars of oranges and 2,500 cars of lemons shipped from the State last year.

The wine product of the State for 1902 has been placed at 42,000,000 gallons the largest yet reported. In 1865 it was only 2,000,000. Since 1883 it has been 10,000,000 gallons and upwards. The average for the past decade has been 22,335,000 gallons per annum. This industry is now in better shape than at any previous time since its inauguration. More attention is being given to obtain the best results as to quality and markets of consumption.

California was the first State to take up the beet sugar industry on a large scale. The product last year was 150,000,000 pounds, the largest yet reported.

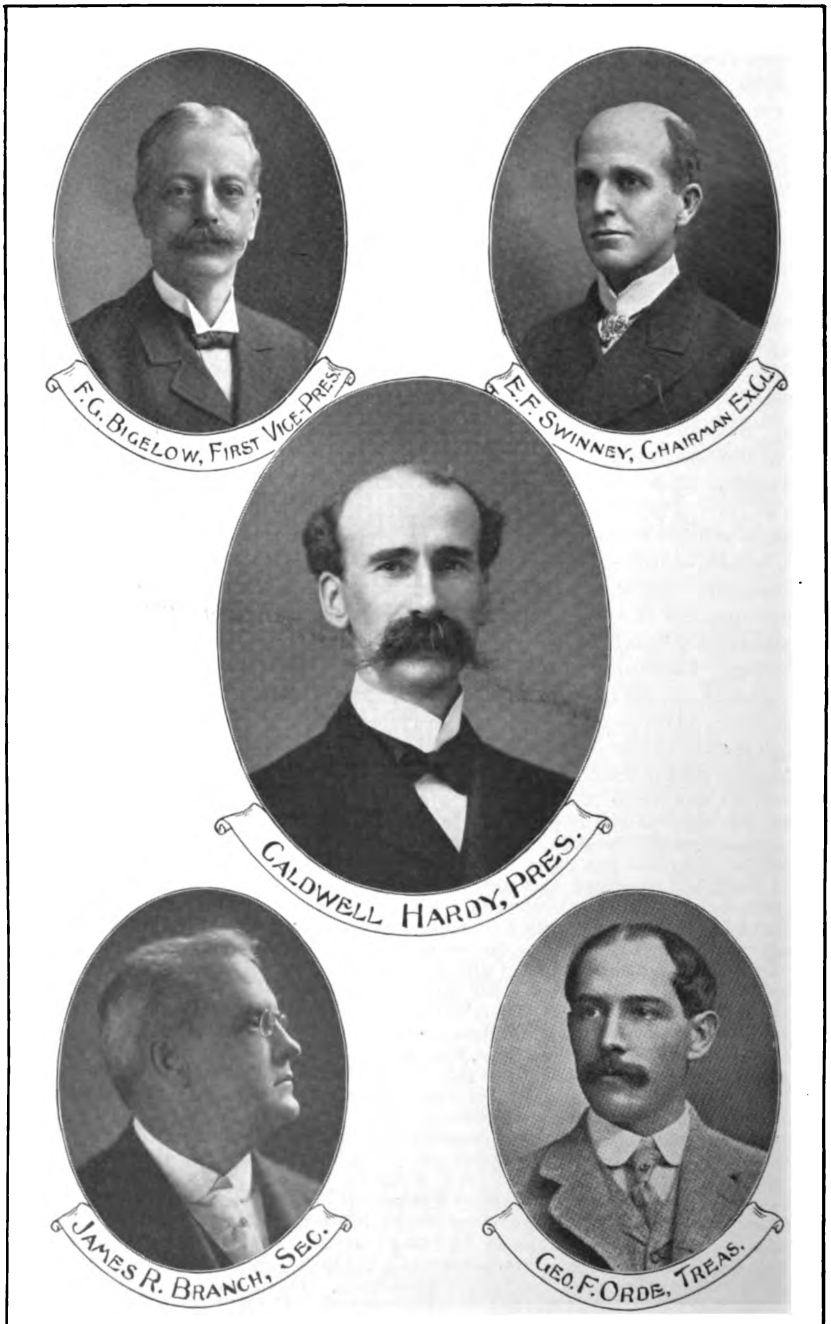
The fuel oil industry has come into considerable prominence within the past few years. Some oil has been produced here for upwards of thirty years, but it was only in 1895 that the yield was in excess of 1,000,000 barrels. In 1900 it was 4,329,950 barrels. This was doubled in 1901, and in 1902 the product was 13,592,516 barrels. It will be larger than that this year.

Space will not permit further comment on the products of this most wonderful State, so unique in many respects. It has the only redwood trees in the world. It is prominently identified with the only salmon fisheries of note in the world. It is the headquarters of the American whale fisheries. It is practically the only State that produces quicksilver. It leads all other States in its product of raisins, wine and barley. Its citrus fruits equal in quality and quantity those of any other State. Boston could not get along without its beans, nor Milwaukee without its hops. Its honey, nuts, olives and olive oil are the finest produced anywhere. It produces enough leather and wool to clothe and shoe millions of people. Though no longer the leading gold-producing State, the yield of the yellow metal in 1902 was over $17,000,000, and since Marshall picked up his first piece in the mill-race of Gen. Sutter, the yield is estimated at $1,500,042,200, more than enough to pay off the national debt, which is about the biggest thing in this country.

People flocked to this State in the pioneer days as miners and traders. Hardly one of them but expected to remain here only long enough to make a "pile," and then return to the other side of the country whence he came. No one thought there was any chance for farming in a section where there was six months of almost incessant rain, to be followed by six months without a drop. Less than ten years after these early settlers landed, California farmers were shipping wheat to Europe, and to-day thousands of families are deriving a good living from the cultivation of the soil in some form. After the miners and traders and farmers came the manufacturers. Only a few of either class became so satisfied with what he made, or so dissatisfied with his conditions here, that he crossed over the continent again for a permanent residence on the other side. California has disappointed fewer immigrants in proportion to the numbers than any other State, and has rewarded more for the faith placed in her possibilities.

California manufacturers have been handicapped in some particulars and favored in others. The higher cost of capital, labor, rents and fuel, and in some of the raw materials that had to be obtained from abroad in the early years of this industry, were certainly drawbacks of a more or less serious character. But the climate was in their favor. There were no days of enforced idleness because of inhospitable weather. There was enough tonic in the air to bring out the best work from the workers. There is hardly a line of manufactures but what is represented in this State, and in no line is there better work performed elsewhere. From toothpicks up to battle ships, the State is proud of its manufactures, and proud of the men whose handiwork they represent. The product of the Union Iron Works alone has given this State a national and an international reputation, for the battleship Oregon was the product of these works. The good foundations on which California manufactures have been reared to their present state of efficiency will make the achievements of success easier hereafter.

BENJAMIN C. WRIGHT.



OFFICERS OF THE AMERICAN BANKERS' ASSOCIATION.

AMERICAN BANKERS' ASSOCIATION.

TWENTY-NINTH ANNUAL CONVENTION TO BE HELD AT SAN FRANCISCO, CAL., OCTOBER 20, 21, 22 AND 23.

The twenty-ninth annual convention of the American Bankers' Association will be held in San Francisco October 20–23, as has already been announced.

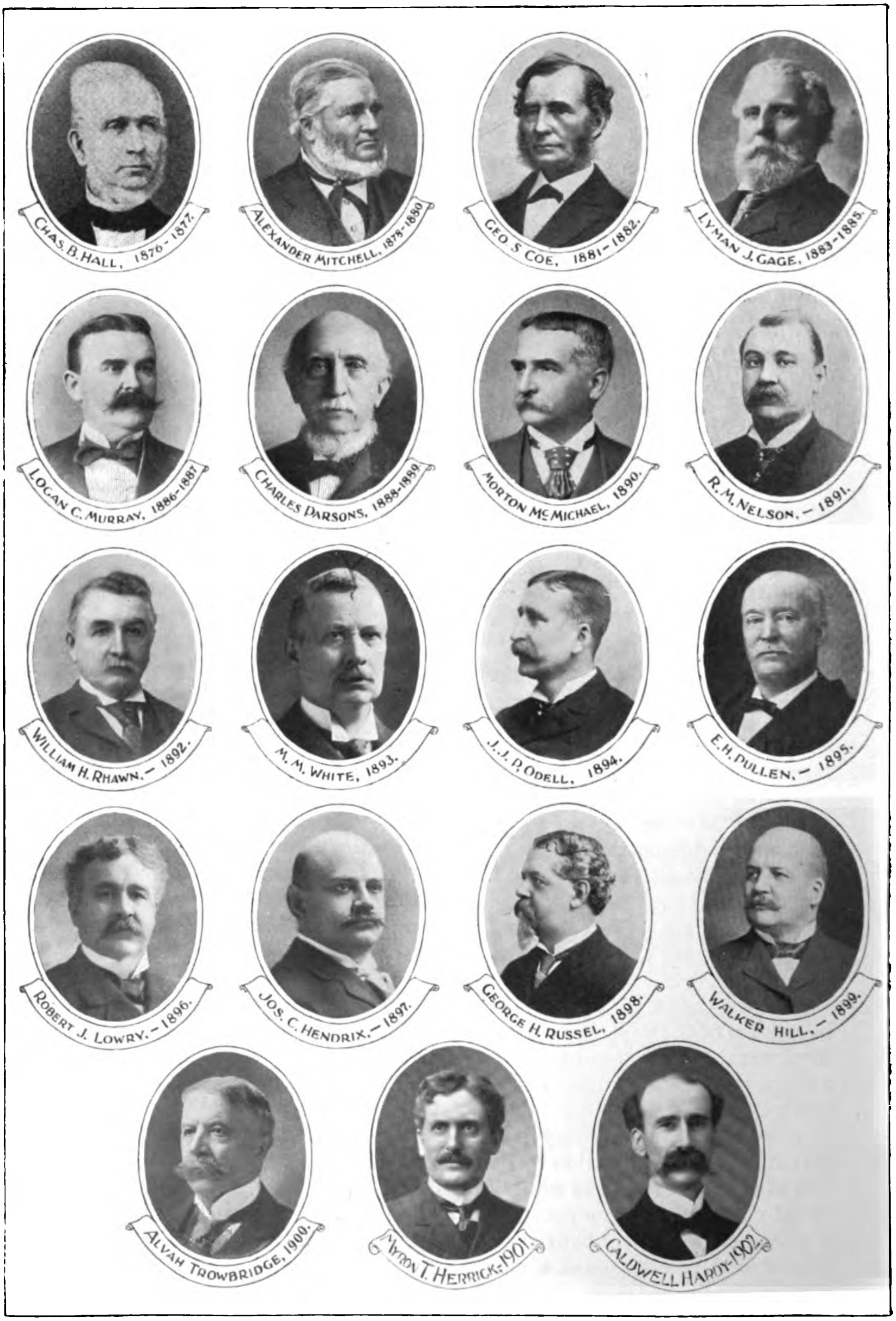
This association first began to take form at Saratoga in 1875. A convention of bankers met there and appointed a committee who completed the organization, drawing up the constitution and by-laws, and reporting at a convention held the next year (1876) at Philadelphia. It is not uninteresting to note that the original constitution, as drawn up and adopted at Philadelphia, contained all the essential principles upon which the work of the association has been carried on. There have been minor amendments of the constitution and the work has been enlarged as the association grew, meeting the wants of the increasing banking constituency of the United States. Just as our system of banks differs from the banking systems of other countries, so our association differs from analogous organizations of bankers in other countries, although they have some points in common.

The Institute of Bankers in London is an institution which includes in its membership individual bankers rather than banks. The members meet quarterly or oftener, and subjects of importance from a financial and economic standpoint are treated of in elaborate papers prepared by invited experts. Seldom more than one paper is heard and discussed at each meeting. These papers are elaborate and exhaustive, and with the interesting discussions of the paper are elegantly printed in the "Journal of the Institute." This "Journal" is eagerly sought for by those interested in banking and economic science throughout the world.

The American Bankers' Association meets in convention but once a year. The papers read are not usually so thorough in character as those which appear under the auspices of the London Institute of Bankers. They generally are occupied with some particular point of banking or finance, and the more of what is considered practical knowledge as derived from banking experience, the better they are liked. Singly they do not usually make the impression of the papers of the Institute. They are published all together in the Annual Proceedings of the Convention. Some papers of great value do not appear to attract the attention they seem to deserve when published in this way.

In addition to the literary features of the work of the association are those pertaining to the education of bank clerks and employees, and the protection of members from the work of forgers and other criminals. The educational committee of the association has within the last few years matured a system of chapters of bank clerks and employees in different cities, and has formed and recommended a course of financial study. This educational work is also carried on by the London Institute of Bankers.

The protection of banks which are members of the association, and indirectly of all banks, from forgers, thieves and burglars, forms an important



PRESIDENTS OF THE AMERICAN BANKERS' ASSOCIATION, 1876-1902.

part of the work. It has met with approval by the banks and added largely to the membership. The association is in this respect a terror to the cracksmen and forgers. A large sum of money is each year appropriated for this purpose.

The main benefit of the association and its annual conventions is a social one. Criticisms are sometimes made that the social features throw a shadow over the literary portions of the programme. The encouragement of acquaintance and personal friendship between bankers from all parts of the country was a chief object with the founders, and the successful carrying out of this object has no doubt added much to the solidarity of our heterogeneous system of banks. Since the beginning of the custom of inviting the association to hold its conventions in turn in the principal cities of the country, there is no doubt that interest in the conventions has increased. Acquaintances of great value in business are made at these meetings. There is no better way for a young banker who has talent and capacity to make himself known than by putting in an appearance on these occasions. No class of people seem more inclined to be impressed with a member of the guild who can make a good speech than bankers, and many who possess this gift could find no place where it will do them greater service. It would not be difficult to give numerous examples of this, as will readily be called to mind by those of our readers who have frequently attended these conventions. But bankers are not taken in by trash. What attracts permanent attention must possess solidity. The man who can clearly and pointedly explain the point at issue with force as well, is at once chosen over the declaimer of empty rhetoric. Of course merely pleasant talkers are also liked. They lighten up the tedium of some of the heavier work of the convention. The presidents of the association, whose principal duty is to preside at these conventions, have been men of fine and dignified appearance, worthy of presiding over a body so eminently representing the respectability and wealth of the United States.

It is often announced when the convention meets how much wealth the delegates have under their control. The capital, surplus, deposits, cash and other items which indicate the business of the banks represented by delegates at these conventions are truly enormous. But the bald announcement of this in the papers is, however, apt to give a false impression. While the delegates are perhaps as a rule men of some personal wealth, they do not own or control the resources of the banks they represent in a personal way. They are properly the custodians of the money of the people. They are to be honored for the confidence that has led to these aggregations of wealth in the numerous banks which pile up the figures when added together. Almost every delegate represents the confidence and trust of the whole community his bank serves. They should be honored, not on the supposition that they are wealthy men, but because they possess the confidence of their fellow men to an extent greater than almost any other class of public servants. It is the people who contribute the capital and who make the deposits who own the banks, and not the banker, who is only the trusted repository of the surplus of the people. A correct view of these things is what is needed to remove the prejudice of the unthinking against bankers and to render powerless the aspersions of demagogues who appeal to such prejudice.

This is the second time the annual convention has been held in San Francisco. The first convention there was in 1892.

PORTRAITS OF THE STATE VICE-PRESIDENTS OF THE AMERICAN BANKERS' ASSOCIATION.

LOUIS B. FARLEY, *Vice-Pres. for Alabama.*

(Cashier Merchants and Planters' Farley National Bank, Montgomery.)

F. M. MURPHY, *Vice-President for Arizona.*

(President Prescott National Bank.)

J. M. ELLIOTT, *Vice-President for California.*

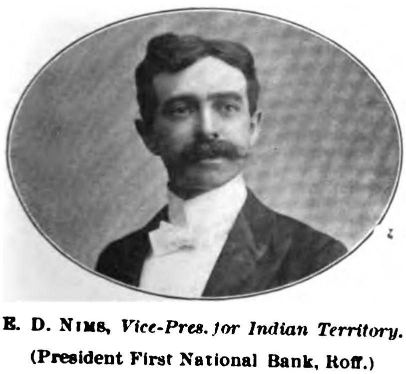
(President First Nat. Bank, Los Angeles.)

JNO. JOY EDSON, *Vice-President for District of Columbia.*

(President Washington Loan and Trust Co.)

ANDREW RUSSEL, *Vice-President for Illinois.*
(Dunlap, Russel & Co., Jacksonville.)

JOHN PERRIN, *Vice-President for Indiana.*
(President American National Bank, Indianapolis.)



E. D. NIMS, *Vice-Pres. for Indian Territory.*
(President First National Bank, Roff.)

SCOTT HOPKINS, *Vice-President for Kansas.*
(President First National Bank, Horton.)

OSCAR FENLEY, *Vice-Pres. for Kentucky.*
(President National Bank of Kentucky, Louisville.)

J. E. WENGREN, *Vice-President for Maine.*
(Cashier First National Bank, Portland.)

WM. INGLE, *Vice-President for Maryland.*
(Cashier Merchants' Nat. Bank, Baltimore.)

LUCIUS LILLEY, *Vice-President for Michigan.*
(President Lilley State Bank, Tecumseh.)

GEO. PEASE, *Vice-President for Minnesota.*
(Cashier Citizens' National Bank, Faribault.)

I. S. WHITE, *Vice-President for Mississippi.*
(President McComb City Bank.)

GRAHAM G. LACY, *Vice-Pres. for Missouri.*
(Vice-President Tootle-Lemon National Bank, St. Joseph.)

GEO. L. RAMSEY, *Vice-Pres. for Montana.*
(Cashier Union Bank & Trust Co., Helena.)

G. W. MAPES, *Vice-President for Nevada.*
(President Washoe County Bank, Reno.)

WM. F. THAYER, *Vice-President for New Hampshire.*
(President First National Bank, Concord.)

WM. K. HURFF, *Vice-Pres. for New Jersey.*
(Treasurer Security Trust Co., Camden.)

B. W. WELLINGTON, *Vice-President for New York.*
(Vice-President Q. W. Wellington & Co's Bank, Corning.)

W. E. **Borden**, *Vice-Pres. for North Carolina.*
(Cashier Bank of Wayne, Goldsboro.)

R. S. **Lewis**, *Vice-Pres. for North Dakota.*
(President Red River Valley National Bank, Fargo.)

A. S. **Frazer**, *Vice-President for Ohio.*
(Cashier Xenia National Bank.)

C. M. **Keck**, *Vice-President for Pennsylvania.*
(Cashier Allentown National Bank.)

WM. A. LAW, *Vice-Pres. for South Carolina.*

(Assistant Cashier Merchants' National Bank, Philadelphia, Pa.)

HARRY R. DENNIS, *Vice-President for South Dakota.*

(President Sioux Falls Savings Bank.)

W. A. SADD, *Vice-President for Tennessee.*

(Secretary Chattanooga Savings Bank.)

LEWIS S. HILLS, *Vice-President for Utah.*

(President Deseret National Bank, Salt Lake City.)

JOHN D. HORSELEY, *Vice-Pres. for Virginia.*
(President First National Bank, Lynchburg.)

H. D. SMITH, *Vice-President for Wisconsin.*
(President First National Bank, Appleton.)

NOTE.—The portraits of the other State Vice-Presidents were requested but not received in time for insertion in this issue. Portraits of all the present members of of the executive council have already appeared in the MAGAZINE.

THE DRINK EVIL IN ENGLAND.—The American workingman in England is amazed by the amount of drinking done by the English worker. Two months' wages of the average English worker's yearly income goes to the "public house." In no country in the world is there so much drunkenness among the common people. That this abnormal indulgence in drink is a serious tax on industry, is undoubted. English manufacturers whom I have met all tell me that could they keep their workmen sober there would be less to fear from American competition. The "drink bill" of England, the tax on which produces three-eighths of the total revenue of the government, is about eight hundred million dollars a year. Of this huge amount, it is estimated that the working people spend five hundred and fifty million dollars. In proportion to his earnings, the English worker spends four times as much money on drink as does the American.—"The Plight of the English Worker," by Frank Fagant in "Review of Reviews."

QUARRELS OF THE "MONEY KINGS."—Some one remarks that New York will never supplant London as the financial center of the world as long as "a few money kings who control the market deliberately set to work to destroy values because they have quarrelled among themselves." The observation deserves thought.—*St. Louis Globe Democrat.*

NEW COUNTERFEIT $10 NATIONAL BANK NOTE.—On the Mechanics' National Bank of New Bedford, Mass.; series 1882; check letter "B;" charter No. 743; Treasury serial No. A87055A; bank serial No. 11793; Bruce, Register; Wyman, Treasurer of the United States. A good photograph on plain paper, no fiber; numbers, seal, and panel of back tinted with thin colors. This note should not deceive any careful handler of money. The negative, however, is a fine one.

BANKING IN THE LEADING CITIES.

NEW YORK CITY.

NATIONAL BANK OF NORTH AMERICA.

Both in the point of years and in its strength the National Bank of North America ranks high among the city's financial institutions. Its existence dates back to February 26, 1851, a period of

HENRY CHAPIN, JR., *Vice-President.*

over fifty-two years ; and although several severe financial crises have occurred in that time, the bank has stood unshaken, and its growth has been in keeping with that of the city. Its officers and directors, from the date of organization till now, have included the names of those foremost in New York's banking and commercial enterprises.

R. L. Edwards, the President, succeeded Warner Van Norden, who retired from active banking affairs about the time the Bank of the State of New York, of which Mr. Edwards was President, was merged with the National Bank of North America. Mr. Edwards has had a successful banking career, extending over a period of about forty years.

Charles W. Morse, Vice-President, is prominently associated with the management of a number of city banks, and has been instrumental in bringing about the consolidation of several New York banks.

Henry Chapin, Jr., Vice-President, is also a well-known banker. He entered the Metropolitan National Bank in 1864, and advanced to the position of Assistant Cashier. In 1887 he became Assistant Cashier of the Third National Bank, and in three years was chosen Cashier. Subsequently he was elected Cashier of the National Bank of North America, and continued to hold this position until the absorption of the Bank of the State of New York, when he was promoted to the office of Vice-President.

Alfred H. Curtis, the Cashier, entered the Bank of the State of New York over twenty-five years ago, and has advanced by reason of meritorious service to the important position he now holds.

J. F. Sweasy and Edward B. Wire, Assistant Cashiers, are also well qualified by character and training for their positions. Mr. Sweasy began his banking experience with the Third National Bank, in 1880, and early demonstrated his capacity for thorough and efficient work.

In its first fifty years the National Bank of North America earned on its capital of $1,000,000, profits amounting to $4,601,256. The present capital is $2,000,000, the surplus $2,000,000, and the deposits $20,000,000.

Recently the bank took possession of the new banking rooms in its new twenty-five story building, 41-43 Wall street..

GARFIELD NATIONAL BANK—VIEW OF THE BANKING ROOMS.

GARFIELD NATIONAL BANK.

The Garfield National Bank was established in December, 1881, shortly after the death of President James A. Garfield, and the sentiment aroused by his death led to the selection of his name as the distinctive part of the bank's title.

Prominent among the organizers of the bank were the following: George H. Robinson, Jno. J. McCook, A. C. Cheney, Hiram Hitchcock. Henry A. Hurlbut and Joseph W. Drexel.

George H. Robinson was the first President, serving from 1881 until 1884. From January 1. 1884, until his death in July, 1893, A. C. Cheney was President, and under his administration the bank made large gains in its business. It was during this period that the district surrounding the bank developed rapidly as a retail center. Mr. Cheney was succeeded by W. H. Gelshenen, who was noted in financial circles for his ability and sound judgment. Under his careful management the bank continued to grow in public favor. Mr. Gelshenen died in March, 1902, and was succeeded by R. W. Poor.

Mr. Poor is a thoroughly experienced banker. He began his banking career with the Littleton (N. H.) National Bank in 1881, resigning the Cashiership of that bank in 1888, at which time he came to the Garfield National. In 1891 he was chosen Assistant Cashier and in 1892 Cashier, which position he occupied until elected President upon the death of Mr. Gelshenen. Mr. Poor, by devoting his time and attention strictly to the bank, has kept it in a vigorous and growing condition, the deposits continuing to increase until they now amount to about $8,000,000.

Originally the capital of the Garfield National was $200,000, but as the mercantile district surrounding the bank expanded, the business of the bank increased rapidly, and it was found advisable to add to the capital. To make the amount ample for the present and near future, it was decided to increase the capital to $1,000,000, which was done on March 1, 1901. The surplus is now also $1,000,000 and the undivided profits $300,000. The surplus and profits have all been earned, not paid in by stockholders, as is sometimes done in organizing banks. A bank whose surplus is equal to its capital is very properly regarded as in an exceptionally strong position and is, in fact, frequently singled out for especial commendation. The Garfield National with its large capital and surplus and undivided profits certainly affords the best possible protection to depositors.

R. W. POOR, *President.*

The bank is located at Sixth avenue and Twenty-third street, in the heart of the principal retail district of the city. It is thus favorably situated and is also thoroughly equipped for meeting the important trade requirements of this territory, but is likewise well adapted to handling the accounts of out-of-town banks and bankers.

The banking rooms are especially well equipped, both as regards convenience and safety, and at the same time are most attractive, as is shown by the above view.

The present strong position of the Garfield National Bank and the steady growth in its business may be attributed to the judgment of its management in adapting the institution to the requirements of its patrons. The business is almost wholly commercial in character, representing the legitimate enterprises of one of the greatest centers of the retail trade in the world.

THE LIBERTY NATIONAL BANK OF NEW YORK.

The Liberty National Bank was organized in 1891, and its progress throughout has been very marked. It was for about twelve years located at No. 143 Liberty street.

In January, 1903, the bank moved into its new counting-rooms at 139 Broadway, built for its own occupancy. It is one of the most unique buildings in New York in point of architecture, and not only is it a beautiful edifice, but as a banking office it is complete in every detail. The vaults, which are used exclusively by the bank, were built by the Remington and Sherman Company, and are models of their kind.

It is one of the institutions that have come into prominence in this city during the past decade and risen to a position, none of which is more deserving of mention as a successful type than The Liberty National Bank.

The bank was originally organized with a strong board of directors, among whom were: Henry C. Tinker, Henry Graves, of Maxwell & Graves, bankers; George F. Baker, President First National Bank, New York; E. F. C. Young, President First National Bank, Jersey City; J. Rogers Maxwell, President Atlas Portland Cement Co.; William Runkle, President Warren Foundry and Machine Company; Dumont Clarke, President American Exchange National Bank, New York; John H. Starin, well known in transportation lines in New York; H. C. Fahnestock, Vice-President First National Bank, New York; Garret A. Hobart, later Vice-President of the United States, and J. A. Garland, Vice-President of the First National Bank, New York.

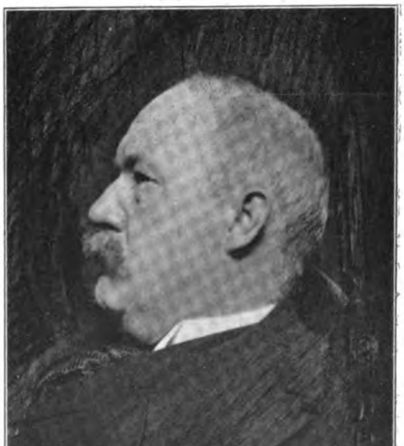
Henry W. Maxwell, was at a later date elected a director, succeeding Mr. J. Rogers Maxwell, and at the same time was elected Vice-President to succeed Mr. Graves—Mr. Graves remaining on the board. The name of Thomas A. Gillespie, of the T. A. Gillespie Company, was also added to the directory, succeeding the Hon. Garret A. Hobart.

Charles A. Moore, of the firm of Manning, Maxwell & Moore, and Francis L. Hine, Vice-President of the First National Bank, were also elected to fill vacancies—the board being increased from thirteen to fifteen members.

The management of this bank has been in the hands of men who belong to the younger class of bankers, and who possess the energy and education that qualify them for a successful career.

Henry C. Tinker, who was one of the incorporators, was for a number of years President of the organization, and retired only from active duties at his own volition. He was succeeded by Henry P. Davison, who was called to the Liberty National Bank from one of the uptown banks as Assistant Cashier in December, 1894. Mr. Davison was an active worker in behalf of the bank, and drew about him many friends. He succeeded to the office of Cashier on the death of James Christie. Subsequently, in June, 1900, Mr. Davison was elected a director and Vice-President of the bank and later President. During his incumbency of the office he devoted his energies to the building up of the bank, and his progressive methods were well expressed by the progress of the institution. Mr. Davison being called to the First National Bank, where he is now Vice-President, left the presidency vacant. E. C. Converse, of the Advisory Committee of the United States Steel Corporation, was thereupon elected his successor.

Mr. Converse is a man of very large means, and is on the board of a great many organizations, among which are the following: American Bank Note Company, Bankers Trust Company, Bowling Green Trust Company, Fourth Street National Bank, of Philadelphia; Illinois Steel Co., International Nickel Co., Kenney Manufacturing Co., Minnesota Iron Co., National Supply Co., of Toledo, Ohio; National Tube Co., New York and New Jersey Railroad Co., North American Co., Orford Copper Co., Pittsburg, McKeesport and McConnellsville Railroad Co., Scarsdale Estate, Shelby Steel Co., of Pittsburg; Tube Steel Co., United States Realty and Construction Co., William Cramp & Sons Ship and Engine Building Co.; and in addition to being on the Advisory Committee of the United States Steel Corporation, he is one of the directors. Mr. Converse began his career as an errand boy in his father's dry goods store, being afterwards placed in the receiving department of the New York branch of the concern. A few years later he applied for a position with the National Tube Works Company, at McKeesport, Pa., and was successful in securing a position as storekeeper. He rapidly gained a detail knowledge of the business by the study of metallurgy and kindred matters. From the position of storekeeper he was promoted to that of iron inspector, thence step by step to General Manager, Vice-President and President. He is a man of most genial presence, and gathers



E. C. CONVERSE, *President.*

about him a host of valuable friends. His knowledge of business technique is very remarkable, and he is probably one of the most methodical men doing business in the city of New York.

Charles H. Stout entered the National Bank of the Republic in 1881, as a junior clerk. He advanced through practically every department of the institution, and in 1888 he became Assistant Cashier. Five years later he was made Cashier, at which time he was only twenty-nine years old. Shortly after the death of Eugene H. Pullen, the Vice-President of the National Bank of the Republic, he was elected to that office. Despite the

CHAS. H. STOUT, *Vice-President.*

fact that Mr. Stout was not much over thirty-five years old at the time he was elected to the vice-presidency, he was recognized as a banker of exceptional ability. When the National Bank of the Republic was absorbed by the First National Bank, Mr. Stout was elected a Vice-President of the consolidated institution. In January, 1903, it was stated that Messrs. J. P. Morgan & Company had acquired a large interest in the Liberty National Bank, and on January 14, of that year, Mr. Stout was elected a director and Vice-President, representing, it is said, the interests of the First National Bank and Messrs. J. P. Morgan & Company.

At the annual meeting in 1903, D. G. Reid, chairman of the board of directors of the Chicago, Rock Island and Pacific Railway Co., was elected a director, and subsequently he was elected one of the Vice-Presidents. While Mr. Reid handles none of the details of the institution, he is one of the most active members of the board and deeply interested in the success of this institution, his influence being of the greatest power.

Charles W. Riecks, the Cashier, has filled various positions in the bank, with great credit to himself and the institution. Being trained in the modern school of finance, Mr. Riecks is ably equipped to fill the important position which he now holds, both by virtue of his ability and thorough knowledge of the details of banking.

The Assistant Cashier, Frederick P. McGlynn, has been with the bank since its organization, and has a unique ability and qualification for the position he holds.

The original capital of the bank was $500,000, and in 1892 the undivided profits

D. G. REID, *Vice-President.*

amounted to $1,805, with a line of deposits of $718,000. In the year 1900 the capital was the same, the earnings had increased to the sum of $504,000; deposits $5,620,000. In November, 1902, the capital of the bank was increased to $1,000,000, and its surplus to $1,000,000: undivided profits $800,000. The gross deposits of the bank at the present date amount to $10,200,000 and the business is steadily increasing.

The bank has had a remarkable career, and ranks probably as one of the very few institutions of its kind in New York

CHAS. W. RIECKS, *Cashier.*

that has ever distributed twenty per cent. dividend within ten years of its organization.

The present personnel of the board of directors is composed as follows: George F. Baker, President First National Bank, New York; Henry Graves, of Maxwell & Graves, bankers, New York; E. F. C. Young, President First National Bank, Jersey City; Arthur F. Luke, of Darr, Luke & Moore, New York; Henry C. Tinker, New York; J. Rogers Maxwell, President Atlas Portland Cement Co.; D. G. Reid, Chairman Executive Committee Rock Island system; E. C. Converse, President; Francis L. Hine, Vice-President First National Bank, New York; T. A. Gillespie, New York; Charles H. Stout, Vice-President; Charles A. Moore, of Manning, Maxwell & Moore, New York; Henry P. Davison, Vice-President First National Bank, New York; Charles H. Warren, Vice-President Chicago, Rock Island and Pacific Railway Company, Chicago, Ill.

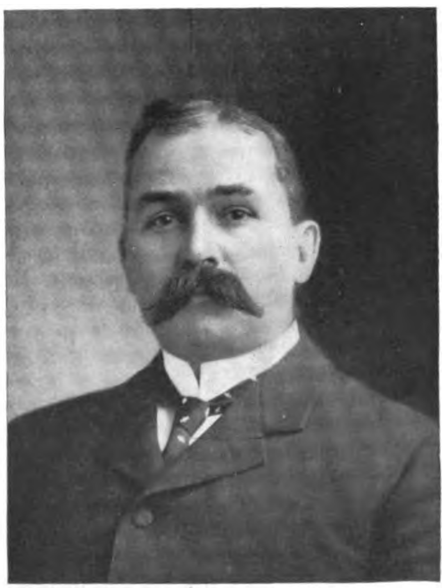
As will be noticed, the list includes some of the most important bankers of the United States, and is recognized as being one of the strongest boards in the country.

NEW YORK NATIONAL EXCHANGE BANK.

Push and energy have characterized the new management of this institution and, as a result, its growth in the past five years, both in extent and character, has been remarkably gratifying. This progress may be shown most readily by the following comparison:

	Sept. 20, 1898.	*June 9, 1903.*
Capital	$300,000	$1,000,000
Surplus and profits	50,848	900,000
Deposits	1,647,049	6,523,311
Total resources	2,096,898	8,463,275

By the recent increase of its capital to $1,000,000 and the surplus to $900,000,



JAMES ROWLAND, *President.*

the New York National Exchange Bank has not merely strengthened its position, for it was strong before, but it has especially enlarged its capacity for adequately caring for the greater volume

Lewis E. Pierson, *Vice-President.*

of business now being transacted. The New York National Exchange is located in new and thoroughly equipped banking rooms at Chambers street and West Broadway, in the great produce district of the city, and carries a large number of mercantile accounts, based upon dealings in staple commodities. Its service is rendered in the promotion of legitimate trade, and the expansion of business is of the most desirable sort.

The bank makes a specialty of handling drafts drawn with bills of lading attached for country banks, and having a department devoted particularly to this service, it has achieved remarkable success in that line.

The New York National Exchange Bank is one of the city's old banking institutions, having been organized as a State bank in 1851. It entered the National system in 1863, and was under practically a continuous management until October, 1898, when it was reorganized by admitting into its directorate representatives of some of the strongest financial interests in New York. Upon this change in management taking effect a more active policy was inaugurated, and the results are seen in the extraordinary gains in the capital, surplus and deposits of the bank.

The officers of the bank are: President, James Rowland; Vice-President, Lewis E. Pierson; Cashier, Rollin P. Grant; Assistant Cashiers, Frank M. Burger, David H. G. Penny.

Directors—James Rowland, of James Rowland & Co., President; Warren Cruikshank, of E. A. Cruikshank & Co.; James M. Donald, Vice-President Hanover National Bank; George C. DeLacy, counsellor at-law; William Halls, Jr., president New York Land and Warehouse Co.; Hudson Hoagland, retired; Lee Kohns, of L. Straus & Sons, pottery and glassware; Wm. J. Merrall, of Acker, Merrall & Condit Co., wholesale and retail grocers; James E. Nichols, of Austin, Nichols & Co., wholesale grocers; William J. Rogers, John H. Seed, wool commission; William Wills, president Merchants' Refrigerating Co.; Daniel W. Whitmore, of president Borden's Condensed Milk Co.; D. W. Whitmore & Co., commission, butter and cheese; Frank W. Wool-

Rollin P. Grant, *Cashier.*

worth, of F. W. Woolworth & Co., 5 and 10 cent stores; Lewis E. Pierson, Vice-President.

NEW AMSTERDAM NATIONAL BANK.

The Bank of New Amsterdam, incorporated as a State institution in May, 1887, commenced business on October 17 following. Its establishment occasioned considerable interest at the time, in view of the distinctly notable character of its directorate, which contained many of the most prominent financiers of the day, including among others such names as Thos. C. Acton (its first President), Samuel D. Babcock, Robert Goelet, Geo. Jones, Jesse Seligman, Frederick D. Tappen, and Jacob D. Vermilye.

R. R. MOORE, *President.*

In April, 1901, in view of its increasing business, it was thought advisable to broaden its character and steps were thereupon taken to have it reincorporated as a National bank. Authority to so act was received from the Comptroller of the Currency and the bank transacted business under the name of the New Amsterdam National Bank on April 18, 1901.

R. R. Moore, President of the New Amsterdam National, has been with the bank from the time it began business. In 1895 he was chosen Cashier, and Vice-President in the following year. On January 12, 1901, he was elected President.

C. W. Morse, a prominent capitalist, is Vice-President, G. J. Baumann, Cashier, and J. G. Hemerich, Assistant Cashier.

The directors of the bank are: C. T. Barney, J. Romaine Brown, Frank Curtiss, W. M. Healey, R. V. Lewis, Jas. McMahon, R. R. Moore, C. W. Morse, H. F. Morse, Daniel O'Day, Frank W. Sanger, Louis Stern, Geo. J. Smith and F. K. Sturgis.

The bank has a capital of $300,000.00 and a surplus of $500,000.00.

Its conservatism has at all times been recognized and commended, while its progressiveness as shown in the attention to the requirements of its depositors and the public, has resulted in placing it in the front rank of the financial institutions of the city. It is a depositary of the United States, of the State of New York and also of the city of New York.

The bank occupies attractive and commodious banking rooms in the Metropolitan Opera House at Broadway and Thirty-ninth street, where are also located the vaults of the New Amsterdam Safe Deposit Company.

IRVING NATIONAL BANK.

It is a pleasure to note the growth and progress of this old institution, whose advancement has been gained by a strict adherence to sound banking principles and methods.

When the bank was founded—more than half a century ago—its organizers decided to give it a title that would be at once distinctive and at the same time would honor Washington Irving, then at the height of his popularity, and whose name still survives among the worthiest of American literary men. This proved to be a good stroke of business policy, the bank being successful from the start.

The Irving Bank was organized in 1851 as a State bank, and was one of the original members of the New York Clearing-House Association. Its first home was at 279 Greenwich street, removal being shortly afterwards made to its new banking house on the northeast corner of Warren and Greenwich streets. This structure was erected in connection with the Irving Savings Institution, which was established in the same year.

Owing to its expanding business the Irving National Bank was forced to seek

IRVING NATIONAL BANK.

new quarters, and has recently taken up its abode in the Irving Building at the corner of Chambers and Hudson streets, a cut of which may be seen above.

The new banking rooms afford ample facilities for the convenience of the bank's large number of depositors. The fittings and furnishings are attractive, and the equipment is the best that modern skill and taste can provide.

Edward H. Laing was the first President of the Irving Bank. He died soon after assuming office and was succeeded in 1852 by John Thomson. On February 3, 1862, John Castree, a well-known merchant, was appointed President *pro tem.* and continued in the presidential

CHAS. H. FANCHER, *President.*

chair until January, 1876, when Isaac Odell undertook the management of the bank. His incumbency ended in June, 1877, when John L. Jewett, Jr., was made President. Mr. Jewett died in October, 1890, and Charles H. Fancher, the present executive, was elected on October 31, of that year. Charles F. Mattlage and Samuel S. Conover were elected Vice-Presidents respectively in 1897 and 1902. Benjamin F. Werner was appointed Cashier in 1901.

On July 1, 1865, the Irving Bank relinquished its State charter and became a National institution, taking as its title the Irving National Bank of New York. The capital of the Irving Bank was originally $300,000. In 1857 it was increased to $500,000, and on July 1, 1902, the capital of the Irving National Bank was increased to $1,000,000, giving the bank a financial responsibility of $1,000,000 capital, $750,000 surplus and $268,000 undivided profits. These sums, together with the individual liability of the stockholders, make a total responsibility to depositors of over $3,000,000. The total dividends paid by the Irving Bank and the Irving National Bank up to and including January 1, 1903, amount to

CHAS. F. MATTLAGE, *Vice-President.*

$1,939,705.48, which attests the prosperity of the institution.

An examination of the comparative statements of condition of the bank on January 1, 1853, and February 6, 1903, is interesting and indicates the progress made during the past fifty years.

Irving Bank, January 1, 1853.

RESOURCES.

Bills discounted	$555,909.66
Loans	38,100.00
United States stocks	60,000.00
New York State stocks	50,500.00
Canal revenue certificate	20,000.00
Stock suspense	13,435.00
Real estate	41,191.71
Due from banks	26,591.90
Cash	146,717.38
Total resources	$952,445.65

LIABILITIES.

Capital	$300,000.00
Profit and loss	18,866.96
Circulation	128,660.00
Dividends unpaid	262.50
Due banks	13,759.09
Deposits	490,897.10
Total liabilities	$952,445.65

The Irving National Bank, Feb. 6, 1903.

RESOURCES.

Loans and discounts	$5,335,550.98
United States bonds—par value	250,000.00
Premium account	17,500.00
Other stocks and bonds	273,747.41
Real estate and mortgages	133,423.44
Due from banks	494,528.82
Cash	1,354,064.33
Exchanges for clearing-house	322,646.10
Total resources	$8,181,461.08

LIABILITIES.

Capital stock		$1,000,000.00
Surplus	750,000.00	
Undivided profits (net)	263,030.01	1,013,030.01
Circulation		244,450.00
Deposits		5,923,981.07
Total liabilities		$8,181,461.08

The officers of the bank are men of long and successful experience in banking and general business.

Charles H. Fancher, the President, came to New York city in 1864 and since then has been engaged continuously in banking. His connection with the Irving National Bank dates from 1866.

SAMUEL S. CONOVER, *Vice-President.*

He served the bank acceptably in various capacities, having been paying teller for thirteen years. In April, 1890, he was tendered and accepted the office of Cashier of the Clinton Bank, and in November following was elected President of the Irving National—the notification of his election being the first information that his name was being considered by the directors. Mr. Fancher is a member of the clearing-house committee of the New York Clearing-House Association, Treasurer of the Irving Savings Institution, and a member of the Chamber of Commerce.

Charles F. Mattlage, Vice-President, is the head of the large wholesale provision house of Charles F. Mattlage & Sons, which he founded many years ago. He is also Vice-President of the First National Bank, Hoboken, N. J., in which city he has long resided.

BENJAMIN F. WERNER, *Cashier.*

Samuel S. Conover, Vice-President, was born in Passaic, N. J., in 1869, and entered business in 1884, with the New York Mercantile Exchange, with which he remained three years, when he accepted a position in the claim department of the Southern Pacific Railroad. After two years of railroad business, Mr. Conover became connected with the Fourth National Bank, of New York, with which he continued for ten years, serving as secretary to the President and Vice-President of the bank. In 1900 Mr. Conover served during the Presidential campaign of that year as financial secretary to Cornelius N. Bliss, treasurer of the Republican National Committee. At the successful close of the campaign he became connected with the American Cotton Company, remaining with that company as secretary and assistant treasurer until he came to the Irving National Bank as Vice-President in 1902.

Benjamin F. Werner, Cashier, was born in New York city in August, 1857. He was educated in the public schools of the city and after graduation entered the Irving National Bank in 1873 as assistant bookkeeper. He was promoted to various positions, becoming Assistant Cashier in 1896. In 1902 he was elected Cashier.

The bank is well located, and the solid commercial interests of the lower West Side district, comprising some of the largest and most successful business establishments in the city, are well represented in the bank, as may be seen from the list of directors following:

Directors: Charles F. Mattlage, of C. F. Mattlage & Sons, wholesale provisions; Charles H. Fancher, President; William H. B. Totten, President Irving Savings Institution; Samuel B. Downes, of S. B. Downes & Co., produce; Charles Reed, president Pettit & Reed, Inc., commission; John W. Nix, of John Nix & Co., produce; Henry Kröger, president Henry Kröger & Co., wholesale liquors; Daniel P. Morse, president Morse & Rogers, wholesale boots and shoes; William H. Barnard, raw silk importer; William C. Demorest, president Realty Trust; William Zeigler, capitalist; Hampden E. Tener, Jr., late of Carnegie Steel Co.; Samuel Crooks, of Samuel Crooks & Co., wholesale teas and coffees; Samuel S. Conover, Vice-President; Theo. F. Whitmarsh, vice-president and treasurer Francis H. Leggett & Co., wholesale grocers.

With this strong board and the energetic and efficient management, it is unquestionable that the bank will continue to add desirable accounts to its already large list of banks, individuals and firms who transact their banking business with the Irving National Bank.

L. A. NORTON.

L. A. Norton, of 25 Broad street, New York city, makes a specialty of bank and trust company stocks and high-grade bonds. As an aid to investors in bank and trust company stocks, he compiles and publishes at regular intervals booklets showing a number of facts relating to these institutions, derived from official sources. Each class of banks is treated in a separate booklet, and the information given comprises the following items: Name, capital, surplus and profits, deposits on different dates for comparison, with increase or decrease; year established, par value of stock, book value at different dates, with increase or decrease; dividends paid for year, date and amount of last dividend, market value of stock, with bid and asked prices, per cent. of bid price to book value, and annual return in dividends at bid prices.

L. A. NORTON.

This information affords a trustworthy guide for those who are seeking to make investments in bank stocks, and Mr. Norton's familiarity with this class of securities makes it possible for him to be of great service to investors. He has built up an extensive business, based upon a careful study of the requirements of those who seek the greatest safety combined with a fair return on their investments. The advantages offered by bank shares are perhaps not so generally known as they should be. Most of the banks in New York are old and well-established institutions and their shares are wholly free from the hazardous character which too frequently attaches to industrial and other stocks.

The booklets compiled by Mr. Norton will be of great usefulness in bringing to the attention of investors an attractive high-grade investment. They are also exceedingly valuable for their statistical features as well.

BANKERS TRUST COMPANY.

The Bankers Trust Company, which opened its doors for business on March 30 last, has already made remarkable strides forward, and its success is now considered by the financial community as assured. The capital of the company is $1,000,000, and the surplus paid in is $500,000. Thus, with the par value of the stock $150 per share, the market quotations, as given in the daily press, have been around $300 per share almost since the inception of the company.

The high value put upon the company's stock by the outside public seems to be due to the unique make-up of the board of directors, representing as it does nearly a third of the New York Clearing-House membership and many financial institutions of the highest reputation. Every member of the board is a banker in active life, and the opportunities that are therefore likely to accrue to the Bankers Trust Company from these various sources of assistance are expected to be considerable.

The board of directors above alluded to is made up as follows: Stephen Baker, President Bank of the Manhattan Co., New York; Samuel G. Bayne, President Seaboard National Bank, New York; Jas. G. Cannon, Vice-President Fourth National Bank, New York; E. C. Converse, President; Henry P. Davison, Vice-President First National Bank, New York; James H. Eckels, President Commercial National Bank, Chicago; Granville W. Garth, President Mechanics' National Bank, New York; A. Barton Hepburn, Vice-President Chase National Bank, New York; William Logan, Cashier Hanover National Bank, New York; Edgar L. Marston, Blair & Co., bankers, New York; Gates W. McGarrah, President Leather Manufacturers' National Bank, New York; Geo. W. Perkins, J. P. Morgan & Co., bankers, New York; William H. Porter, President Chemical National Bank, New York; Daniel G. Reid, Vice-President Liberty National Bank, New York; Francis H. Skelding, Cashier First National Bank, Pittsburg; E. F. Swinney, President First National Bank, Kansas City; John F. Thompson, Vice-President; Albert H. Wiggin, Vice-President National Park Bank, New York; Robert Winsor, Kidder, Peabody & Co., bankers, Boston; Samuel Woolverton, President Gallatin National Bank, New York; Edward F. C. Young, President First National Bank, Jersey City.

The officers of the company are: President, E. C. Converse; Vice-President, J. F. Thompson; Secretary and Treasurer, T. W. Lamont; Assistant Treasurer, D. E. Pomeroy; Assistant Secretary, L. H. McCall. Mr. Converse, who is also President of the Liberty National Bank, is a member of the Executive Committee of the U. S. Steel Corporation and is a director in many well-known enterprises. John F. Thompson was for many years Cashier of the Seaboard National Bank, resigning that position to become Vice-President of the Bankers Trust Company.

Although the Bankers Trust Company has been in business only five months its deposits have increased rapidly and now stand at over $7,000,000. The company has been located temporarily at No. 143 Liberty street, the former site of the Liberty National Bank. Before October 1, however the company will move its offices to No. 7 Wall street, at the corner of Wall and New streets, where most commodious and handsomely fitted up banking rooms are situated, directly in the heart of the financial district. The friends of the company predict for it after this change of location an even more rapid growth.

BANKERS' LIFE INSURANCE COMPANY.

The Bankers' Life Insurance Company of the city of New York is essentially a bankers' company. It was organized a number of years ago by those prominently connected with the leading banking and financial institutions of New York.

FOSTER M. VOORHEES, *President.*

The progress of the company has been steady and sure and it now stands well up in Old Line ranks.

The policies issued by it embrace all forms of participating and non-participating insurance, and are the most liberal offered for sale by any company of note.

In January of this year the Hon. Foster M. Voorhees, ex-Governor of New Jersey, was elected to the presidency of the Bankers. Little here need be said as to his ability and integrity. Under his guiding hand and far-sightedness the company is making rapid strides, and is becoming more favorably and generally known than heretofore, and is now making an aggressive and successful campaign for new business in some ten or twelve States.

The business policy of this company is one of conservatism and fair dealing to those who carry policies in it. It would be well for all contemplating insurance to correspond with this splendidly-managed institution.

BANK AND OFFICE FURNITURE AND FIXTURES.

At no previous time have the banks ever paid so much attention to the solidity and beauty of their buildings and the taste and elegance of the furniture and fittings required for the safe and convenient transaction of business. It is found, too, that this is not an extravagant use of money, but a good investment. People now seem to expect that a bank shall be appropriately housed, and that the furnishings of its banking rooms shall be in accordance with the standing of the bank. Visible signs of prosperity are a necessary part of a modern bank's equipment.

No matter how fine a bank building may be, if its furniture is shabby or does not harmonize with the banking rooms, the effect is incongruous and disappointing. The architectural woodwook and furniture are two of the most important features in the fitting up of a bank's quarters. They should be under the supervision of some one who has made a specialty of this branch of work, and who can point to convincing examples of his skill and taste.

Geo. W. Cobb, Jr., of 144–148 Nassau street, New York city, is a manufacturer of architectural woodwork and special furniture, and has been called on to design and install work of this character in some of the finest banking rooms in the country. Among the city banks he has fitted up may be mentioned the New York National Exchange Bank, at West Broadway and Chambers street, and the Broadway Trust Co. at Broadway and Eighth street. He also designed and

PRESIDENT'S ROOM, SECOND NATIONAL BANK, ORANGE, N. J.

manufactured the furniture and woodwork for the Second National Bank, of Orange, N. J. An illustration of the President's room in this bank is shown herewith.

Some of the handsomest banking rooms in the country are to be found in Pittsburg, and in one of these—the Colonial Trust Company—may be found a fine exhibition of Mr. Cobb's superior craftsmanship.

Bankers contemplating the erection of new buildings or the remodelling and refitting of their counting rooms will find that Mr. Cobb is well qualified by experience and otherwise to give them good service in his line of work.

BANK MONEY ORDERS.

Bankers are just now taking a very keen interest in the profits to be made from the issuing of bank money orders. It is shown by statistics that the money orders issued annually by the express companies and the Government amount to between $500,000,000 and $600,000,000, and it has heretofore been the practice of most banks to cash these orders for their customers without charge. In other words, the profits to be had from the issuance of the orders go to the express companies and to the Government, while the banks furnish the funds to cash the orders in the first instance.

But now the banks realize that by issuing the orders themselves they can greatly enhance their profits, not only by the immediate returns from the sale of the orders themselves, but it is found to increase earnings in other ways. Although a bank draft is not essentially different from a money order, the latter term seems to be more familiar to the public, and it has been adopted by many of the banks.

Associations have been formed by a number of the State bankers' associations to issue a uniform draft, payable at par by any bank in the State where the order is issued.

The Bankers' Money Order Association, of New York city, is formed on still more comprehensive lines, issuing orders to banks that are payable at par anywhere. Not only does the association do this, but it permits the issuing bank to keep all the profit accruing from the issue of the orders, besides retaining the funds in its own possession.

In an address delivered before the convention of the Washington State Bankers' Association, at Whatcom, Wash., July 25, Edwin Goodall, Treasurer of the Bankers' Money Order Association, thus explained the method of issuing the orders:

"On July 1 we issued a circular to the members of this association stating that we were now enabled to throw off, as we call it, our charges, or in other words, we would supply to you our orders in book form, twenty in a book, limited to the amount of $50 and under for each order, so that you could issue these orders to the public, making your own charge, keeping all the profits therein, and weekly remit to us in New York a check on yourself or a correspondent that would be agreeable to each and every one of you. We are enabled to do this from the statistics that have been obtained by actual experience, and therefore we feel that if there is any use of the money that is necessary for the banking fraternity to have, it should be given to the bankers in their own locality, or in other words, keep the money right in your vicinity, loan it, if possible, to your own customers, and when it is necessary to have a credit with us in New York city, we will give you that credit by your Cashier's check which comes to us, which we do not deposit in New York—if we did, we would have to pay a clearing-house charge—but we deposit it in New Jersey at par. We take it from you, gentlemen, at par, and as long as you can make a profit and keep your money here and your settlement comes to us promptly, we are able to conduct this business profitably to ourselves, as well as profitably to the banking fraternity."

This proposal is one that will be of direct interest to every bank seeking to gain all the profit to which it is entitled, and will be found worthy of careful investigation. Bankers desiring to obtain further information should address Edwin Goodall, Treasurer Bankers' Money Order Association, Corn Exchange Bank Building, New York.

BANK AND FINANCIAL ADVERTISING.

The matter of effective advertising for banks and other financial institutions is

F. W. FORBUSH.

now receiving a large share of the attention of those charged with the management of such corporations. Progressiveness demands that careful attention shall be given to this feature, which has grown to be one of the important means of building up business. There is a tendency to discard the old dull and prosaic style of announcements, and without being sensational to set forth in clear language and attractive manner the facilities that the bank or other institution offers. In bank and corporation advertising character and tone are naturally looked for, and these, as a rule, can be imparted only by the expert. It is the poorest sort of economy to leave the advertising in the hands of one not thoroughly qualified to attend to its every detail. The time and attention necessary to produce satisfactory results can rarely be spared by the bank's employees or officers, and the best method is undoubtedly to entrust the preparation of advertisements to some one whose specialty is bank advertising, the bank of course exercising a general supervision over his work.

A well-designed advertisement in a proper medium or a forcefully-written and attractively printed booklet, serves to bring the advantages of the bank before the public in a way that will increase business and profits.

F. W. Forbush, of 82 John street, New York, makes a specialty of writing, arranging and printing financial literature for banks, mining, transportation or industrial corporations. His long experience in handling this class of advertising enables him to furnish his customers with literature having business-bringing qualities. Mr. Forbush also has special facilities for mailing advertising matter in New York city and vicinity for out-of-town financial institutions.

CHICAGO.

THE NATIONAL BANK OF THE REPUBLIC OF CHICAGO.

Banks, as well as persons, have their points of individuality. Those traits distinctively characteristic of the National Bank of the Republic, in Chicago, are: uniform courtesy from every officer and clerk to every person crossing its threshold; the encouragement and efficient aid it extends to all those engaged in sound business enterprises. These two things are thoroughly characteristic of the National Bank of the Republic; without them it would be something different and something less than it is. They have both contributed to the solid and rapid growth which this bank has enjoyed since it was founded thirteen years ago. There is a rule in this bank that every person who enters its doors is entitled to polite treatment. So consistently is this rule put into practice that its observation springs from a spontaneous impulse. Certainly it is lived in spirit as well as the letter, and constant public comment bears witness to the effectiveness of this unfailing courtesy in building up a sentiment of general friendliness for the bank. The messenger boy is as certain of courteous treatment in this institution as is the visiting bank President. This puts the point of politeness so plainly that it is universally recognized as something in the atmosphere of the National Bank of the Republic.

JOHN A. LYNCH, *President.*

W. T. FENTON, *Vice-President.*

This bank has always contended that

J. H. CAMERON, *Cashier.*

the country banker desires, first of all, strength and fidelity in its reserve correspondent, joined to a readiness to do the right thing in time of emergency. Following this policy, and being in a position to give the best possible service at all times, the business of the National Bank of the Republic has been built up, as shown by its constantly-increasing list of correspondents, who agree in believing that a banking connection must be established on an equitable basis, allowing some profit to both parties to the arrangement; otherwise it cannot prove of permanent value.

The fact that several officers of the bank—and those coming most frequently in contact with the public—have been trained behind the counters of country banks, has resulted in building up a large line of country correspondents for the National Bank of the Republic. To a peculiar degeee it is a correspondent bank. The men who manage it know the needs of the banker outside the great money centers, and can appreciate his situation, because they have been in it themselves. This enables them to be especially helpful.

The system by which the details in this bank are cared for is thoroughly modern and in accordance with the best methods known to the banking business.

Only two years after the organization of the bank, the soundness of its foundation and the wisdom of its management were put to the severest test in the panic of 1893; but it passed through this ordeal triumphantly. The business of the institution has grown so rapidly that in 1902 it was decided to add one million dollars to the capital and five hundred thousand dollars to the surplus of the bank. A good idea of the growth of the National Bank of the Republic may be had from the following comparative statements made in April of each year:

YEAR.	*Capital.*	*Surplus and profits.*	*Deposits.*	*Total resources.*
1895...	$1,000,000	$108,587	$2,461,808	$3,649,268
1896...	1,000,000	126,640	3,160,200	4,387,563
1897...	1,000,000	124,678	3,768,940	4,994,177
1898...	1,000,000	160,860	5,523,815	6,786,435
1899...	1,000,000	153,258	9,741,206	11,026,636
1900...	1,000,000	191,787	9,857,747	11,692,427
1901...	1,000,000	217,593	12,742,664	14,721,467
1902...	1,000,000	271,452	13,736,274	15,057,724
1903...	2,000,000	798,891	14,459,145	17,462,863

President John A. Lynch is in the prime of life, and is a native of Chicago. He helped to organize the bank, and was elected its President a few months later.

R. M. MCKINNEY, *Assistant Cashier.*

Mr. Lynch has had wide experience in business, in which he has been very successful. He devotes his entire time to the loans of the bank, and is said to be one of the best informed men on bank credits in Chicago, having a special department for collecting and analyzing credit information.

William T. Fenton, the Vice-President, is a man of national reputation as a banker, being nearly as well known in New York as he is in Chicago. Owing to his ripe experience, extending over a period of twenty-five years of constant activity in his chosen sphere, his opinion

R. L. CRAMPTON, *Assistant Cashier.*

on monetary questions is thought, by bankers and business men from a large portion of the country, to be almost unerring in its accuracy. He is prominently identified with the commercial interests of Chicago, is a member of the Executive Council of the American Bankers' Association, and President of the Chicago Clearing-House Association. When important financial matters present themselves, affecting the general business situation, Mr. Fenton's advice is always welcome. His agreeable manner has won for him many friends throughout the entire country, and it is only right to say that he is one of the most popular bankers in the United States, notwithstanding his retiring disposition.

John H. Cameron served his apprenticeship in a country bank. He was Assistant Cashier of the National Bank of the Republic for several years, previous to which he was connected with the Merchants' National Bank. He became Cashier when Mr. Fenton relinquished the duties of that position.

R. M. McKinney, the genial Assistant Cashier, also received his early training in a country bank, and has held his present office for nearly ten years, during which period he has become a master in handling the many important details incident to a city bank.

About two years ago, R. L. Crampton, Assistant Cashier, was called from the Northern Trust Company, in which large institution he had a thorough and varied training for twelve years. Not a little of his experience was gained in the care of estates while with the trust company. He is greatly interested in studying the varying needs of the banks in the different parts of the country, and enjoys extending his acquaintance with out-of-town bankers, to whom he is always glad to be of service.

Sound and progressive methods are characteristic of this bank. It seeks good commercial accounts, and serves as a depositary for out-of-town banks, giving especial attention to this branch of the business.

NATIONAL BANK OF NORTH AMERICA.

This bank completed its first fiscal year on June 30, 1903. The second semi-annual statement issued to stockholders on that day shows deposits of $12,273,-701.53 ; and as a result of the first year's operation the net earnings of the bank were $131,292.40, after charging off about $17,000 furniture and fixture account and premium on bonds. This is about six and one-half per cent. on the capital stock.

The various statements issued by the bank show a steady growth both in deposits and net earnings. Starting out with over $3,000,000 on the opening day, the bank had almost doubled these figures at the end of one month. On November 25, in response to the Comptroller's call, the statement showed deposits of $9,000,000. The three successive statements of February 6, April 9 and June 9, showed deposits of about $11,-500,000.

ISAAC N. PERRY, *President.*

The bank has pursued an aggressive though conservative policy since its organization, and has been exceptionally successful in building up its deposits during the short time of its existence.

The officers of the bank are: Isaac N. Perry, President; Bernard A. Eckhart, Vice President; Charles O. Austin, Vice-President; Julius S. Pomeroy, Cashier; Francis V. Putnam, Assistant Cashier.

The bank occupies handsome and commodious quarters in the Woman's Temple, at the corner of Monroe and La Salle streets. The Woman's Temple is one of the largest office buildings in Chicago, and both as to location as well as convenient arrangement affords desirable quarters for a banking institution.

Isaac N. Perry, the President of the bank, is a native of New York State, whose banking career began with a position in the First National Bank, of Aurora. He subsequently was elected Cashier of the Rochelle National Bank, of Rochelle, Ills., where he remained twelve years. In 1885 Mr. Perry organized the Union National Bank, of La Crosse, Wis., becoming its Cashier; this office he occupied until 1891, when he accepted the vice-presidency of the Continental National Bank, of Chicago, occupying that office until the organization of the National Bank of North America.

Charles O. Austin is a native of the State of Missouri, and his banking experience commenced as a clerk in the Marion County Savings Bank at Palmyra, Mo. He later became Assistant Cashier of this bank, resigning his position in 1895, to assume the duties of bank examiner. In 1897 Mr. Austin was elected Cashier of the Mechanics' National Bank, of St. Louis, which position he occupied until he came to the vice-presidency of the National Bank of North America. At the annual convention of the Missouri Bankers' Association, in 1902, Mr. Austin

CHARLES O. AUSTIN, *Vice-President.*

was elected president of the association, which was at that time the largest State bankers' association in this country. During his incumbency he was active in introducing several new features such

J. S. POMEROY, *Cashier.*

as the placing of burglary insurance through the secretary of the association and other features which have since been adopted by some of the other State associations.

Julius S. Pomeroy was born in Brooklyn, N. Y., and his banking experience commenced in 1884, when he became connected with the Homer National Bank,

F. V. PUTNAM, *Assistant Cashier.*

of Homer, N. Y. Some three years later he accepted a position with the First National Bank, of Cortland, N. Y., and in 1892 was made Assistant Cashier of the First National Bank, of Winona, Minn. This position he held until his election to the cashiership of the National Bank of North America at the time of its organization.

Francis V. Putnam came from Peoria, Ill., where he began his banking career in the First National Bank of that town. When the Globe National Bank was organized in Chicago he became connected with that institution and later went to the Continental National Bank when it absorbed the Globe National. At the time of the organization of the National Bank of North America Mr. Putnam became its paying teller, which position he held until his election to the assistant cashiership.

CONTINENTAL NATIONAL BANK.

The Continental National Bank, of Chicago, which in February of the present year completed its first charter cycle, occupies a most conspicuous place among the cosmopolitan banks of the country, and has challenged the admiration of its confreres by its steady advance and progress.

Founded in 1883, the bank's early growth has been moderate, tempered as it was by a well calculated policy of conservatism, which augured well for its future success. Slowly its deposits have risen until in 1895 they reached the nine million dollar mark. But from that time on its growth and development have been well-nigh marvelous, and in its report of June 9, 1903, to the Comptroller of the Currency, the bank showed deposits in excess of thirty-five million dollars.

One cannot view these achievements without turning one's thoughts to the hands and minds which have been instrumental in bringing about such conspicuous results, and the management of the institution is entitled to the most unreserved tribute for the remarkable skill, energy and wisdom displayed in the handling of affairs.

Guided by a broad and liberal policy, the influence of the bank has found its way into the remotest corners of the country, and the deposit ledgers show to day a patronage made up from among all the States and Territories of the Union.

The growth of the Continental National Bank becomes all the more significant when it is considered that the bank has been but a moderate participator in the consolidation movement which attained such enormous proportions during the years from 1897 to 1902. Many a bank of long years' standing was forced to renounce its individuality and had to surrender to the irresistible progress of amalgamation, forced to join its fortunes with those of the stronger rival. Thus, institutions which withstood the test of the "survival of the fittest," doubled, yea, trebled their volumes by the acquisition of business until then controlled by independent institutions.

The Continental National Bank absorbed in 1897 the International Bank, and in 1898 the Globe National Bank, and from these absorptions made a gain in its deposit line of about three million dollars. The remainder of its growth is the result of ceaseless labors and the influence of a policy which carefully respected the needs and requirements of its customers, and studiously cultivated and administered the business entrusted.

Hand in hand with the growth of the institution came the demand for larger quarters. The bank occupies its own building, a modern nine-story structure which covers the La Salle street front of the block bounded by Adams and Quincy streets. The quarters originally occupied were located in the north end of the second floor. Pressed for more working space, the management has gradually extended the confines of the office until they eventually comprised the entire second and third floors. The clerical force was enlarged in keeping with the demands of the business. By the introduction of labor-saving devices the clerical strength has been maintained at a minimum, and the precision and dispatch with which the business is handled is the wonderment of visitors.

The officers of the institution are men who compel the most generous recognition for their fine qualities which have made such signal success possible, and they are well known to the banking world.

The following is the list of officers and directors:

Officers: President, John C. Black; Vice-Presidents, G. M. Reynolds and N. E. Barker; Assistant Cashiers, Ira P. Bowen, Benjamin S. Mayer, William G. Schroeder, Herman Waldeck and John McCarthy.

Directors: John C. Black, Albert J. Earling, J. Ogden Armour, Henry Botsford, F. Weyerhaeuser, Alexis W. Thompson, Wm. G. Hibbard, P. A. Valentine, George M. Reynolds, N. E. Barker, William C. Seipp and Berthold Loewenthal.

NATIONAL LIVE STOCK BANK.

To the National Live Stock Bank of Chicago is due the distinction, in reviewing the points of merit in Chicago banks, of doing a larger volume of business, in the aggregate, than any other bank of equal footings in the United States. Its financial record is remarkable in its business results, considering the fact that with its capitalization of $1,000,000, and surplus and undivided profits of $1,300,000, its aggregate deposits during the past year amounted to more than $750,000,000.

This tremendous volume of business has not come by chance, but is due to the fact that the National Live Stock Bank possesses facilities for handling its business in a thoroughly modern and up-to-date manner, and its solidity and trustworthiness need no testimonials.

In addition to its being the fiscal clearing-house for the greatest industry conducted in an equal area in the world, this bank is making tremendous strides towards the front rank in the handling

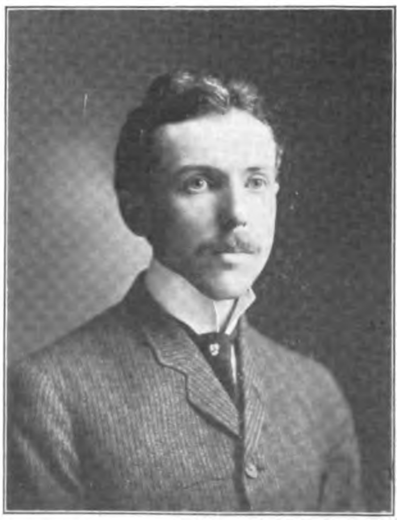
S. R. FLYNN, *President.*

GATES A. RYTHER, *Cashier.*

of out-of-town accounts. That the courteous treatment of its patrons is appreciated is evidenced by the growth of its out-of-town deposits, which show a remarkable gain during the last year.

Since its inception in 1888 the bank has steadily kept pace with the growing needs of its clientage until to-day it stands an equal in every way to any bank in Chicago.

The directorate is composed of men who are numbered among the financial stalwarts of their city and its officers are men of broad experience in their chosen profession, enjoying the esteem and confidence of their patrons for conservatism



G. F. EMERY, *Assistant Cashier.*

W. F. DOGGETT, *Assistant Cashier.*

and prudence in handling commissions of trust. The bank is aggressive for new business and the prompt manner in which it is cared for insures the retention of those customers who appreciate modern business methods rightly employed.

The officers are: S. R. Flynn, President; G. A. Ryther, Cashier; G. F. Emery, Assistant Cashier and W. F. Doggett, Assistant Cashier.

MERCHANTS' LOAN AND TRUST COMPANY.

The capital of The Merchants' Loan and Trust Company of Chicago was increased to $3,000,000 on July 1. At the same time the surplus was increased to $3,000,000, as stockholders paid for the new stock at $200 per share. This step makes the total liability, as a protection of depositors, $9,000,000.

These changes in the bank's position were made necessary by its great growth in business. No addition had been made to the bank's capital since 1882, when it was increased from $1,500,000 to $2,000,000. In the interval its greatest growth has come. In 1882 its average deposits were $6,094,000. At the present time they are above $36,000,000, and at one time this year were well over $37,000,000.

The management of the Merchants' Loan and Trust Company has always believed in the policy of a strong capital. When the bank was started in 1857 the capital was $500,000. In 1867 it was made $1,000,000, and in 1872 it was increased to $1,500,000.

Through the perfection of organization which years of experience and wisdom in management make possible, The Merchants' Loan and Trust Company now furnishes every service that can justly be required of a bank. Its equipment is thorough and its management able. There are few institutions of its kind in the country which have so good a record for conservative yet enlightened management. It is the oldest bank in Chicago, and the fact that it has been so conducted as to maintain its splendid reputation through the period of its existence—nearly half a century—is an asset whose value cannot be overestimated.

It is perhaps not generally known that the Merchants' Loan and Trust Company has larger country deposits than any other State bank in Chicago. Its outside business is growing steadily, as it has the best facilities for the care of country accounts and is able to furnish them on favorable terms.

MERCHANTS' LOAN AND TRUST BUILDING,
Northwest Corner Adams and Clark streets, Chicago.

ORSON SMITH, *President*.

The trust department of The Merchants' Loan and Trust Company has been in existence only three years, but the bank is acting in many capacities through it. It has relieved many individuals and corporations of important and trying responsibilities. A well organized and conducted trust company, as our readers know, can render valuable service to a community. It can safely manage the property of an individual during his life, and wisely administer his estate after his death. Because of its many competent officers and directors, it applies greater wisdom in these matters than one individual possesses.

Through the bond department, The Merchants' Loan and Trust Company buys and sells, after careful investigation, the securities of steam railroads and other properties. It offers for sale only such issues as it is prepared to recommend to its customers. Its own money is invested before these securities are offered, and it must necessarily use the best judgment which time and experience have developed.

The foreign department of The Merchants' Loan and Trust Company is prepared at all times to make cable transfers of money to all the leading cities of the world, and to issue letters of credit for travellers, either abroad or at home. All other features of the foreign exchange business are conducted in this department.

The bank's safe deposit vaults are located in the basement of its building and are reached by an elevator from the banking floor. The vast vault which contains them is the strongest ever built in Chicago and furnishes undoubted security against mobs, fire, and burglars.

The bank's newest department, but one which has already made its need and importance felt, is that devoted to savings. Started February 24, 1902, it now has deposits of over $3,200,000, and is destined to be an important feature in the future history of the institution.

The bank's officers are as follows: Orson Smith, President; E. D. Hulbert, Vice-President; J. G. Orchard, Cashier; F. N. Wilder, Assistant Cashier; F. G. Nelson, Assistant Cashier; P. C. Peterson, Assistant Cashier and Manager foreign exchange department; Leon L.

E. D. HULBERT, *Vice-President*.

Loehr, Secretary trust department; John E. Blunt, Jr., Manager bond department.

The board of directors, which comprises some of the best-known men in the business world in the country, is as follows: Marshall Field, Albert Keep, A. H. Burley, Elias T. Watkins, Enos M. Barton, E. D. Hulbert, Cyrus H. McCormick, Lambert Tree, Erskine M. Phelps, Moses J. Wentworth, E. H. Gary, Orson Smith.

To become more intimate with the character of the management of the Merchants' Loan and Trust Company is to know that its future development will be won along the same careful yet enterprising lines on which its past successes have been founded.

THE EQUITABLE TRUST COMPANY.

The most important consideration in a matter involving the management and distribution of an estate is the selection of a suitable executor or trustee.

A quarter of a century ago the choice fell upon an individual in whose judgment and uprightness confidence was reposed. To-day the trust company is the generally recognized and logical successor to the individual trustee in the management of estates and funds not invested in active enterprises.

The advantages of a corporation like The Equitable Trust Company over an individual as a trustee are many and important. The corporation has practically a perpetual existence, and can manage any trust, however long its term. It has a fixed place of business, where it can at all times be found, and where books and important papers can be safely kept and examined at will. Its books of account are kept by competent accountants under approved systems and constitute a perfect record of every transaction, and are always preserved. Its capital is liable for the faithful execution of every trust. This responsibility, involving as it does the personal interests of its stockholders, insures watchfulness and absolute fidelity in all matters which the corporation has in charge; and the advice and control of directors, selected with reference to their experience and knowledge of such matters, greatly diminish the possibilities of errors in judgment.

Under the law, all the investments and transactions of trust companies in the State of Illinois are under the supervision and scrutiny of the Auditor of Public Accounts, who is authorized by the State to make examinations at any time, and without warning.

In the selection of a corporation as trustee a prudent person would naturally ascertain whether, under the law, it has ample powers and is under proper restrictions; whether its charter and by-laws compel it to place its funds in the safest investments known to the courts and the business community; whether it avoids the dangers of common banking and the loaning of money on the personal credit of borrowers; whether it is restricted from speculation of every nature, and confined strictly to a fiduciary business; whether its officers and directors are capable and honest; whether its business is transacted under the direction of safe legal counsel.

The officers and directors of The Equitable Trust Company believe that it meets all these requirements and that it supplies a public necessity. The law under which it is organized is most liberal, and gives it, as trustee, power to hold, lease, improve, buy, sell and convey both real and personal property of every kind. Its regulations for the careful home investment of its own funds, and of its trust funds, guarantee its patrons against any loss which is avoidable by human foresight, and afford a financial agency in whose care every trust will be safely and prudently administered. It is prepared to transact fiduciary business, whether the transactions be large or small; for the wealthy or for those of moderate means; for widows and orphans, or for large corporations, excluding all business not incidental to its objects. It has complied with the law by depositing with the Auditor of

Illinois $200,000 in approved securities, which amount, in connection with the capital and surplus of the company, is an additional guaranty that the trusts given in its charge will be administered faithfully.

The business of this company is confined *exclusively* to the administration of trusts; and it is probably the only trust company in the country which does not, in connection with the trust business, do either a title or banking business. Charters, similar in purpose, have been granted other corporations, but all such corporations, it is believed, have devoted their efforts to ordinary banking business, or dealing in real estate securities bearing their guaranty, to the neglect of the execution of trusts.

The company accepts and executes trusts of every description, under appointment by will, assignment, deed or otherwise. Executors, administrators, trustees, guardians and other fiduciaries, whose bonds, as required by law, are burdensome, can have such bonds reduced by depositing with this company the personal assets in their hands. The company invites interviews with persons contemplating the creation of trusts, in order that it may explain its advantages and terms, and that it may indicate the best manner of accomplishing the objects intended. The commissions charged are moderate and may be made the subject of agreement. Each trust fund is kept entirely distinct from and independent of all others, and separate from the assets of the company.

The company is prepared to make for its clients investments in real estate in and about Chicago, or in bonds, mortgages, stocks or other securities. It has for sale, at all times, choice mortgages on improved Chicago property and bonds of local and other corporations. Loans are made only after careful investigation of the titles, the values of the securities and the responsibility of the borrowers.

The company makes loans on improved real estate in the city of Chicago or on cash collaterals. It purchases ground rents, makes advances on ground rents and other fixed incomes. No loans are made on personal securities. The company receives trust funds, repayable on demand subject to check. It also receives trust funds for which it issues its certificates of deposit, repayable on notice or at a fixed date. It also receives, on permanent deposit, for investment or reinvestment, such funds, securities or property as may be entrusted to it, agreeing to pay to such person or persons as may be indicated such annual, or more frequent sums, in the nature of annuities, as may be agreed upon with the person making the deposit. In this way a sure and fixed income may be secured for minors until the attainment of their majority, or for married women, or aged and infirm persons during their lifetime, while the principal, after the termination of the trust, can be disposed of as desired by the person who created the trust.

That The Equitable Trust Company is fitted to satisfactorily discharge the functions conferred upon it by law is witnessed by the record made, and is further assured by the company's capital of $500,000, surplus of $275,000, and the management, composed of the following well-known officers and directors:

Officers: J. R. Walsh, President; L. A. Walton, Vice-President; C. D. Organ, Secretary and Treasurer; C. Huntoon, Assistant Secretary and Assistant Treasurer.

Directors: William Best, F. M. Blount, Maurice Rosenfeld, Andrew McNally, John M. Smyth, J. R. Walsh, L. A. Walton.

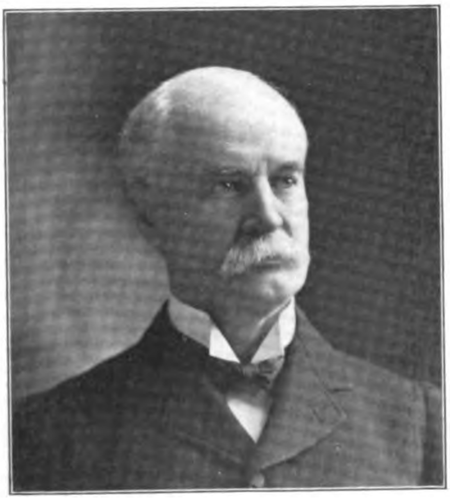
BANKERS NATIONAL BANK.

The Bankers National Bank, of Chicago, of which Hon. Edward S. Lacey, an Ex-Comptroller of the Currency, is the head, opened for business in August, 1892, with a capital of $1,000,000, which has since been increased to $2,000,000, so that its capital and surplus are now nearly $3,000,000, while its deposits exceed $14,000,000.

It is in one sense such a bank as its name signifies—that is, while taking

J. C. CRAFT, *Vice-President.*

F. P. JUDSON, *Cashier.*



EDWARD S. LACEY, *President.*

CHARLES EWING, *Assistant Cashier.*

CHARLES C. WILLSON, *Assistant Cashier.*

OFFICERS OF THE BANKERS NATIONAL BANK OF CHICAGO.

good care of its large and constantly-growing city clientage, it makes a specialty of the accounts of banks and bankers, and the steady increase in the number of its correspondents evidences the fact that its system of handling such business is highly acceptable to its many friends. While the bank is conducted upon conservative lines, yet the management always aims to grant its customers every accommodation warranted by sound banking principles, and is indefatigable in its search for new facilities to extend to its correspondents.

Mr. Lacey began his career as a banker at Charlotte, Mich., occupying successively the positions of Cashier and President of the First National Bank, of that place, where he resided for many years. He spent four years in Congress and later on was appointed Comptroller of the Currency under Harrison's Administration in 1889, which office he resigned to associate himself with the late David B. Dewey and others for the purpose of organizing the Bankers National Bank, of Chicago. He has been President of the Chicago Clearing-House Association, and Bankers' Club, is a member of the Union League and Glen View Clubs, and resides at Evanston, Ill.

John C. Craft, the Vice President, like Mr. Lacey, had long experience in country banking prior to coming to Chicago. He was for years connected with the Rochelle National Bank, of Rochelle, Ill., resigning his position there as Cashier to become Acting Assistant Treasurer of the United States at Chicago, later accepting the Assistant Cashiership of the Bankers National. He is also a member of the Union League and Bankers Clubs, and as well as Mr. Lacey is quite a golf enthusiast, and is frequently seen on the links of the Homewood Country Club. Mr. Craft resides in Hyde Park.

Frank P. Judson, the Cashier, has also been identified with the bank since its organization, having formerly been connected with the old American Exchange National Bank, of which Mr. Dewey was for several years the President. Mr. Judson is particularly well known to bankers, in that he has for several years been unanimously chosen Secretary of the Bankers' Association of the State of Illinois. He is thoroughly posted in all the details of bank operations. He resides at Evanston.

Charles C. Willson, Assistant Cashier, gained his first experience at Tallula, Illinois, where his father was a banker for many years. Upon the organization of the Bankers National Bank he became its note teller and was for several years its paying teller, and in January, 1903, was elected Assistant Cashier, a well-deserved promotion.

Charles Ewing was brought up in a bank at Springfield, Mo., coming to Chicago in 1893, and was employed by the Bankers National Bank for several years, until he was called to Iron Mountain, Mich., to accept the Cashiership of the First National Bank, of that place, the business of which grew rapidly under his supervision. Returning to Chicago, at the end of four years, he again associated himself with the Bankers National Bank, of which he became chief clerk, being elected Assistant Cashier in September last.

The institution originally opened in the Masonic Temple but soon outgrew its quarters there, and for several years past has occupied its present central location in the Marquette Building, corner Dearborn and Adams streets, opposite the new Chicago Post Office.

Its list of directors and stockholders embraces many prominent business men and bankers throughout the country and it is looked upon as one of the progressive financial institutions of Chicago.

MASON, LEWIS & COMPANY.

This firm has built up an excellent reputation as investment bankers, and as a result their business is growing most satisfactorily. By specializing investigation in the several departments expert knowledge has been brought to bear upon the various classes of securities seeking a market, and the firm's judgment has come to be recognized as being as near to absolute accuracy as human foresight can attain.

With offices at Chicago, Boston and Philadelphia, Messrs. Mason, Lewis & Co. are in close touch with the principal financial markets, and with their thorough equipment are able to furnish expert and reliable information to banks, Savings institutions and other investors relating to municipal, gas, electric light, railway and other bonds and stocks.

Dealing in the higher class of securities only, the firm may be consulted with advantage by those having money to place where safety and a fair yield are desired.

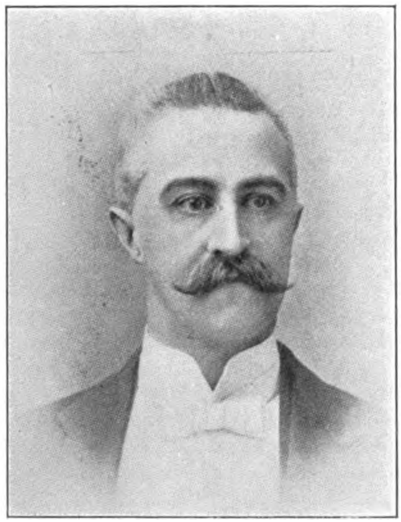
BOSTON.

PROVIDENT SECURITIES AND BANKING COMPANY.

This company opened for business February 16, 1903. It is chartered under the laws of South Dakota and has an authorized capital of $1,500,000.

The business of the company is divided into three departments—commercial, auxiliary and securities. This enables it to conduct a regular commercial and home deposit business and also affords facilities for handling investments and financing industrial and other enterprises. This company is legally subject to and solicits examination by the Savings Banks Commissioners of Massachusetts. At this writing it has some 22,000 accounts, showing the enterprise, popularity and rapid development of the company.

The officers of the Provident Securities and Banking Company are: President, Gen. Samuel Dalton, Adjutant-General of Massachusetts; Vice-President, Sidney M. Hedges, General Manager in Massachusetts for the Mutual Benefit Life Insurance Co. of New Jersey; Secretary and Treasurer, Lorenzo W. Burlen, for twelve years Cashier of the Columbian National Bank, Boston, and late with the National Bank



L. W. BURLEN, *Secretary and Treasurer.*

of the Republic, Boston. A portrait of Mr. Burlen, from a photograph taken when he was President of the Bank Officers' Association of Boston, is presented above.

MISSISSIPPI VALLEY TRUST COMPANY'S BUILDING.

ST. LOUIS.

MISSISSIPPI VALLEY TRUST COMPANY.

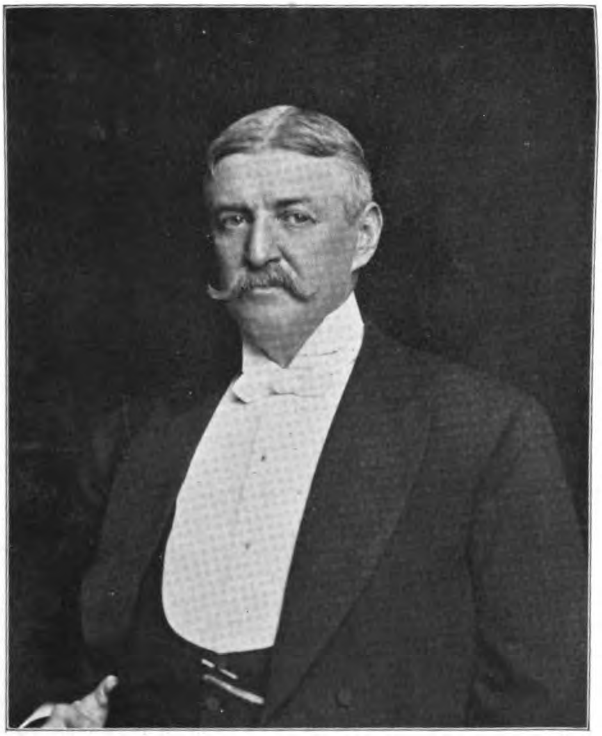
Coping with the difficulties incident in the course of a long financial career, the Mississippi Valley Trust Company, St. Louis, has never faltered in its upward trend. Commencing business during a period just prior to one of the greatest financial panics in the history of the United States, this trust company has made steady progress and to-day stands as a monument of solidity and strength in the financial world, and at the head of the list of trust companies in St. Louis. The paid-in capital of the company at its commencement of business in 1891 was $750,000, with no surplus, and now the capital, surplus and profits of the company amount to $8,200,000, several million dollars of which represent net increase on account of earnings of the company after payment of annual dividends ranging from six per cent, immediately after organization, to sixteen per cent. at the present time.

The following comparative statement will evidence the growth of the company during recent years:

DATE.	*Capital.*	*Surplus and profits.*	*Deposits.*	*Resources.*
December, 1896	$1,300,000	$611,963	$3,927,167	$6,577,454
" 1898	1,500,000	1,075,681	7,759,412	11,913,413
" 1900	3,000,000	3,923,218	14,178,131	21,240,864
June, 1901	3,000,000	4,013,624	19,155,599	26,356,240
February, 1903	3,000,000	5,150,778	23,269,550	31,530,965

The rapid growth of the company has compelled its occupancy of the entire building at the Northwest corner of Fourth and Pine streets, and even then its palatial offices now occupy all the available floor space, thus making the actual square feet used as great, if not greater, than that of any other financial institution in the city.

Always ready to assist in the advance-



JULIUS S. WALSH, *President.*

BRECKINRIDGE JONES, *1st Vice-President and Counsel.*

JOHN D. DAVIS, *2nd Vice-President.*

ment of worthy projects, the Mississippi Valley Trust Company stands foremost in the territory west of the Mississippi River as a promoter and upbuilder of beneficial enterprises.

Several large concerns of recent date owe their existence to the Mississippi Valley Trust Company, the most prominent of which are the Kinloch Telephone Company, Kinloch Long Distance Telephone Co., Blackwell, Enid & Southwestern Railway Co., Denver, Enid & Gulf Railway Co., Arkansas Southern R. R. Co., Bes Line Construction Co., Tennessee Central Railroad Co., Union Electric Light & Power Co. and National Candy Co. The floating of bond issues of $10,000,000 Mexican Central Railway collateral trust 4½'s, $7,500,000 St. Louis & Suburban Railway consolidated 5's and the recent $4,000,000 Union Electric Light & Power Co. 5's, indicate the scope of influence and magnitude of its operations.

The acquirement for others of controlling interest in the Laclede Gas Light Co. and the Missouri-Edison Electric Co., the ultimate intention being to consolidate the latter company with the Union Electric Light & Power Co., shows the size of some of this trust company's most recent negotiations, and the strength of its allied interests. This trust company has also handled some of the largest trusts existing west of New York city. Its trust or fiduciary department stands unexcelled in facilities for the careful execution of all matters intrusted to its charge and is especially adapted to trusteeships under wills or mortgages by railroads and other corporations.

By steady application to business its able and courteous officers and directors have built up the immense business now enjoyed. The company issues its own letters of credit available throughout the world, and has several unique features in this connection for convenience of tourists holding its credits. It was the first institution west of the Mississippi River to inaugurate such a system. The company has special facilities for handling inter-State and foreign business, and deals extensively in foreign and domestic exchange. Its method of depositing by mail for the especial convenience of out-of-town savings depositors is modern in every respect

Each department is under the immediate management of a capable corps of officers.

The company transacts a general trust company business; is authorized by law to act as executor, administrator, trustee, etc.; buys and sells high-grade investment securities; allows interest on checking and time deposits of individuals, firms and corporations; manages, sells, rents and appraises St. Louis city property and rents safe-deposit boxes in fire, burglar and mob-proof vault.

The following gentlemen of long experience and proven ability are officers of the company:

Julius S. Walsh, President; Breckinridge Jones, 1st Vice President and Counsel: John D. Davis, 2d Vice-President; Samuel E. Hoffman, 3rd Vice-President; James E. Brock, Secretary; Hugh R. Lyle, Assistant Secretary; Henry C. Ibbotson, 2d Assistant Secretary; W. Daviess Pittman, Bond Officer; Frederick Vierling, Trust Officer: Henry Semple Ames, Assistant Trust Officer; Wm. G. Lackey, Assistant Trust Officer; Eugene H. Benoist, Real Estate Officer, and Wilbur B. Price, Safe Deposit Officer.

The entire business of the company is managed by a conservative yet progressive executive committee directly under a board of directors, composed of gentlemen of the highest standing in the financial and commercial world, as the following list will indicate:

Elmer B. Adams, U. S. District Judge; Williamson Bacon, President Tyler Estate; Murray Carleton, President Carleton Dry Goods Co.; Charles Clark, retired; John D. Davis, 2d Vice-President; Harrison I. Drummond, President Drummond Realty and Investment Co.; Auguste B. Ewing, retired; David R. Francis, President D. R. Francis & Bro. Commission Co.; August Gehner, President German-American Bank; Geo. H. Goddard, retired; Samuel E. Hoffman, 3rd Vice President; Charles H. Huttig, President Third National Bank; Breckinridge Jones, 1st Vice-President and Counsel; Wm. F. Nolker, Treasurer St. Louis Brewing Association: Wm. D. Orthwein, President Wm. D. Orthwein Grain Co.; H. Clay Pierce, President Waters-Pierce Oil Co.; Joseph Ramsey, Jr., President Wabash Railroad Co.; Moses Rumsey, President L. M. Rumsey Manufacturing Co.; Julius S. Walsh, President; Rolla Wells, Mayor of City of St. Louis.

PITTSBURG.

UNION TRUST COMPANY.

A little over thirteen years ago the Union Trust Company was founded as the Union Transfer and Trust Company, with $250,000 capital.

A striking illustration of the wonderful growth of the Union Trust Company may be shown in the fact that at the time of its organization the total deposits of the twenty-five National Banks in Pittsburg were $38,452,522; now the total deposits of the Union Trust Company and the Mellon National Bank more than equal this grand total. The total capital and surplus of the National banks then was a little over $17,000,000 and to-day that amount is less than the combined capital and surplus of the Union Trust Company.

In the short space of thirteen years the Union Trust Company has grown from a promising infant to a financial giant, comprising with its allied interests the most powerful and influential institution between New York and Chicago. It has a capital of $1,500,000 and surplus and undivided profits of $16,000,000. Its total deposits are over $20,000,000 and it owns in addition the Mellon National Bank with $2,000,000 capital and $200,000 surplus and $20,000,000 deposits, as well as the Union Savings Bank with $1,000,000 capital and $2,800,000 deposits. The following figures show the growth of its deposits from the time of its organization:

Dec. 31.	*Deposits.*	*Dec. 31.*	*Deposits.*
1890	....	1897	$406,214.14
1891	$4,500.00	1898	513,857.33
1892	34,525.00	1899	5,130,906.88
1893	22,600.00	1900	7,630,137.02
1894	33,182.00	1901	17,194,170.00
1895	65,522.56	1902	19,846,900.00
1896	200,631.84		

The growth of the Union Trust Company has not been sudden or spasmodic, but continuous and substantial. Former Postmaster James S. McKean was President for many years succeeding A. W. Mellon, the company's first President, and upon his death in 1899 H. C. McEldowney was elected in his place and has carried out the policy and plans of the company in a remarkably successful manner. The present home of the company at 335–7–9 Fourth avenue is one of the most commodious, convenient and palatial banking houses in Pittsburg.

The Union Trust Company has contributed its share towards making Pittsburg independent of Eastern capital and creating in Western Pennsylvania a financial metropolis. Associated with it in this work have been many of the men who have made Pittsburg notable in a financial and industrial way. The officers and directors are as follows:

Officers—H. C. McEldowney, President; A. W. Mellon, Vice-President; J. M. Schoonmaker, 2d Vice-President; H. W. Gleffer, Assistant to the President, and Treasurer; Scott Hayes, Secretary; James S. Carr, Assistant Treasurer; J. H. Evans, Assistant Secretary; Wm. Wylie Smith, 2d Assistant Secretary; Wm. I. Berryman, Trust Officer; Reed, Smith, Shaw and Beal, Solicitors.

Directors—H. C. McEldowney, A. W. Mellon, James McCrea, J. M. Schoonmaker, F. J. Hearne, W. N. Frew, D. E. Park, H. C. Frick, P. C. Knox, Geo. I. Whitney, H. C. Fownes, James H. Lockhart, George E. Shaw, J. B. Finley, Charles Lockhart, James H. Hyde, R. B. Mellon, B. F. Jones, Jr., Wm. B. Schiller, Henry Phipps.

THE FIDELITY TITLE AND TRUST COMPANY.

Beginning business in 1886, in humble quarters at 434 Wood street, the Fidelity, Title and Trust Company has taken a high place among the financial institutions of the nation. It was the second trust company organized in Pittsburg, and the first one to receive deposits. William O. H. Schully was the President, and James T. Armstrong the first Secretary and Treasurer.

In 1887 the company's office was removed to 100 Diamond street, where it occupied a small room about 12 x 15 feet. In 1888 its Fourth avenue property was purchased, and the company's present handsome substantial home was built and occupied in August, 1889.

In 1887 John B. Jackson was elected President, and is still the active head of the company. At the time Mr. Jackson assumed the presidency the total assets of the Fidelity, Title and Trust Company amounted to $403,895; only $357,000 of the capital had been paid in, and it was without surplus or earnings of any kind.

It 1890 the capital was increased to $1,000,000, which was put out at par, and the same year found the company with surplus earnings of nearly $100,000.

In 1893 it began paying dividends at the rate of six per cent. per annum, which rate it maintained until 1903, when the rate was increased to twelve per cent. At this time the capital was increased to $2,000,000 and a surplus of $3,000,000 was created from the sale of the increased stock. The history of the substantial progress of the company is best seen in the appended comparative statement:

Probably the most significant feature of the showing is the gradual rise of the surplus earnings. After paying $675,000 in dividends the company has accumulated undivided profits amounting to $1,129,845, all of which has been actually earned. It will be seen by the table, above submitted, that even during the period from 1892 to 1894, which included the year of the great panic, there was a decided gain in the surplus earnings, regardless of the perceptible decline in the volume of deposits.

The year of Mr. Jackson's election to the presidency (1887) also witnessed the election of Chas. B. McVay, Secretary and Treasurer. He held the office until 1893, when he was succeeded by James C. Chaplin as Treasurer, and John McGill as Secretary. In 1901 Mr. Chaplin resigned and Charles E. Willock, the present incumbent, was elected to the position.

The faith of the community in the company is seen in the vast sum intrusted to its keeping, in the shape of trust funds, represented by available securities and cash. In addition to its custody of $32,000,000 in funds of that character, and the liabilities of its general department of $11,700,000, it is also trustee under mortgage for the colossal amount of $59,371,000.

The faithful stewardship of such a vast volume of wealth justly confers upon the institution the undisputed right to the title of Fidelity, Title and Trust Company.

The scope of the company's business embraces a general money department, taking deposits subject to check and as savings accounts; trust business in its broadest sense, and a safe-deposit or vault department.

Year.	*Surp. Earnings.*	*Deposits.*	*Assets.*	*Trust Funds.*
October, 1890	$96,532	$1,083,000	$1,712,718	$2,849,043
" 1892	218,571	1,162,000	2,467,257	7,753,205
" 1894	251,817	907,544	2,203,204	9,462,373
" 1896	331,513	1,311,199	2,663,459	12,949,382
" 1898	437,288	2,282,068	3,754,826	19,017,662
" 1900	661,464	4,384,100	6,085,254	24,239,975
" 1901	846,892	5,230,399	7,198,829	26,666,867
" 1902	1,044,396	6,936,899	9,091,968	28,745,596
May, 1903	1,129,845	7,042,058	11,794,712	32,449,399

The general or banking department, which occupies the first floor of its building, pays interest on all deposits, buys and sells exchange, lends money on real estate and collateral security, acts as reserve agent for other financial institutions, and acts as transfer agent for corporations issuing stocks and bonds.

The trust department occupies all of the second floor of its building, and executes trusts of every description, acts as executor, administrator, guardian, receiver and financial agent.

The safe-deposit vault, in the rear of the banking room, on the first floor, is the most substantially constructed of its kind in Pittsburg, and is 17 x 29 feet, containing 1,600 boxes at present, and has a capacity for many more, and is equipped with every modern convenience.

The officers and directors of the company are as follows: John B. Jackson, President; Jas. J. Donnell, Vice-President; Robert Pitcairn, Vice-President; C. E. Willock, Treasurer; John McGill, Secretary; Jos. A. Knox, Assistant Secretary and Treasurer; C. S. Gray, Trust Officer; A. F. Benkart, Assistant Trust Officer; Thomas R. Robinson, Auditor.

Directors—John B. Jackson, Albert H. Childs, James J. Donnell, E. M. Ferguson, Reuben Miller, Robert Pitcairn, Frank Semple, James H. Reed, Charles E. Speer, H. S. A. Stewart, Edward T. Dravo, John Walker, John R. McGinley, C. S. Gray, J. Levering Jones.

DENVER, COLO.

FIRST NATIONAL BANK.

Few banks in the country are better known or stand higher than the First National Bank, of Denver. It is one of the large and strong banks of the United States, probably having a larger volume of business than any other bank located in a city of similar size. Its deposits exceed those of any commercial bank between St. Louis and San Francisco, with a single exception. The bank is growing very rapidly too, as may be seen from the following statement, showing the deposits on the dates named:

JULY.	*Comparative deposits.*
1893	$3,359,467.37
1894	5,295,810.44
1895	6,527,210.50
1896	8,893,143.85
1897	9,984,283.62
1898	12,524,904.88
1899	17,154,998.00
1900	18,049,080.80
1901	19,087,905.72
1902	21,458,060.73
1903	21,497,715.85

This is a record of growth which strikingly attests the vigorous management of the bank and its capacity to supply an important share of the banking facilities of Denver and the surrounding territory. Of course, the management of any bank is the chief factor in determining the measure of its success, and in this respect the First National Bank is in an exceptionally strong position. David H. Moffat, the President, is one of the wealthiest men of the West and a man who has shown by results that he is thoroughly competent to carry through large financial affairs to a successful issue. He has been one of the leading factors in building up the transportation, mining and other productive industries of the State of Colorado. In the construction and conduct of railway enterprises he has been remarkably successful, and only recently took up the plan for constructing a line from Denver to Salt Sake City —an undertaking which he is prosecuting with characteristic energy.

Mr. Moffat was born in Orange county, N. Y., in 1839. At the age of twelve years he went to New York and secured employment as messenger in a bank, and after four years became assistant teller. He then went to Des Moines, Iowa, as teller in a bank, and was also Cashier of a bank in Omaha for three years. In 1860 he went to Denver and engaged in selling books and stationery. In 1867 he was elected Cashier of the First National Bank and has been President since 1880. Mr. Moffat is largely interested in railway and other enterprises and is a director of the Equitable Life Assurance Co., and the Fourth National and Western National Bank, of New York. He is a millionaire several times over—a position he has attained by hard work, grit, ability and the capacity of making and keeping staunch and loyal friends.

The First National Bank has reason to be proud of its record. In the panic of 1893, when bank failures were numerous in Denver and elsewhere, the bank stood as firm as a rock and was able by its strong condition to extend aid to its depositors, instead of contracting loans.

W. S. Cheesman and Thomas Keely are Vice-Presidents of the bank; F. G. Moffat is Cashier and W. C. Thomas and C. S. Haughwout are Assistant Cashiers.

The capital of the First National Bank, of Denver, is $1,000,000 and the surplus and profits over $1,000,000. Both in resources and equipment the bank is thoroughly suited to the transaction of all kinds of legitimate commercial banking.

MILWAUKEE, WIS.

FIRST NATIONAL BANK.

Founded in 1853 as the Farmers and Millers' Bank, and converted into the First National Bank in 1863, this institution ranks among the oldest banks of the Northwest, and was the first National bank organized in Wisconsin and the sixty-fourth in the United States. The Cashier up to the reorganization of the bank in 1882, when its original charter as a National bank expired, was H. H. Camp, one of the oldest and best-known bankers in the State. Mr. Camp was elected President in 1882, and held that office until 1893, whenafter forty years of continual service in the banking business, he retired and was succeeded by F. G. Bigelow.

F. G. BIGELOW, *President.*

In 1894 the First National Bank absorbed the Merchants' Exchange Bank.

Throughout its long and successful history the First National Bank, of Milwaukee, has been strong in public esteem. Panics have never shaken it, nor has it failed to keep fully up with the demands of progressive banking. Its business has grown steadily and to large proportions and its strength has been at all times adequate to meet all the requirements of safe commercial banking.

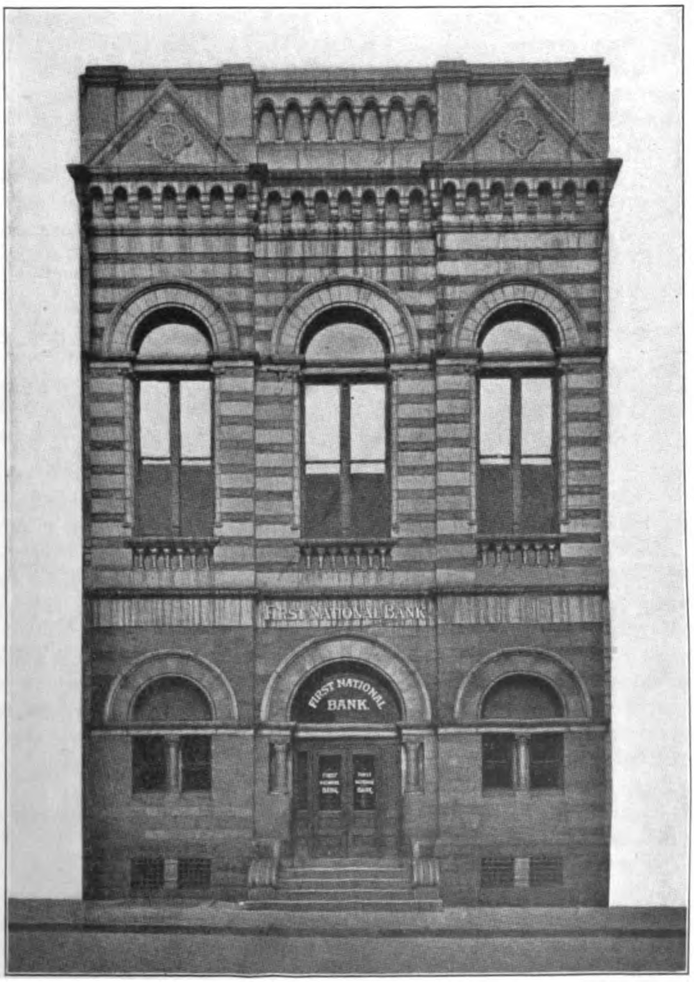
Frank G. Bigelow, President of the First National Bank, of Milwaukee, has shown himself to be a capable executive officer, the business of the bank having made substantial gains under his management. Mr. Bigelow has been honored by being chosen chairman of the executive council of the American Bankers' Association, and is now first vice-president of the association.

The other officers of the bank are: Vice-President, Wm. Bigelow; Cashier, Frank J. Kipp; Assistant Cashiers, T. E. Camp and H. G. Goll.

BALTIMORE.

FIRST NATIONAL BANK.

The First National Bank of Baltimore was organized in November, 1863, and became a National bank February 28, 1864, being the first in the State to enter the National system. Recently the bank renewed its charter, thus beginning the third period of twenty years as a National bank.



FIRST NATIONAL BANK BUILDING.

From the time it commenced business, March 1, 1864, the bank has prospered and has grown continually until to day it is one of the strong banks of the State.

The first board of directors was composed of Johns Hopkins, Thomas Swann, Columbus O'Donnell, John Clark, Thomas Kelso, Benjamin Beford, William J. Albert, Horace Abbott and William E. Hooper. The bank commenced business with Thomas Swann as President and J. Saurin Norris as Cashier. In 1866 Governor Swann was succeeded by Columbus O'Donnell, who was President until his death in 1873. J. Saurin Norris succeeded him, and in 1887 Capt. John Hall was elected President and served until 1900. In May of that year the Equitable National Bank purchased the stock of the First National, and the two banks were merged under the name and charter of the First National. Major J. D. Ferguson retained the presidency, having been President of the Equitable, and H. B. Wilcox the cashiership. Previously the capital of the First National had been cut in half, to $555,000, but about a year ago it was increased to the present capital of $1,000,000. The surplus is $350,000. Deposits amount to $4,-500,000.

Since the present management acquired the bank, then in view of its rapidly increasing business, the building in the rear and extending back to Holliday street has been purchased, so as to give the opportunity of extending the banking house.

The First National Bank is a depository of the United States, State of Maryland and Baltimore City. It has a strong local board of directors, representative of Baltimore's leading commercial and financial interests. James H. Eckels, President of the Commercial National Bank, Chicago, and former Comptroller of the Currency, and James T. Woodward, President of the Hanover National Bank, New York, are also directors.

SAN FRANCISCO, CAL.

CENTRAL TRUST COMPANY.

This is a young but vigorous institution, having been organized January 29, 1903. Its position is clearly a strong one, the capital being $1,500,000, surplus $225,000, and deposits over $2,500,000.

The charter of the company grants ample powers for the transaction of a banking and trust company business, while the supervision both of the Bank Commissioners and the management imposes the safeguards necessary for the protection of depositors and stockholders.

The company offers in its fiduciary business the advantages of an experienced and able management, thoroughly fitted to administer trusts of every description and to make prudent and remunerative investment of the funds entrusted to the company.

In the banking department both local and out-of-town accounts are well cared for, and the organization is so complete as to make this institution in all respects equal to the best and most progressive of modern banks. Some of the features which have commended the company to the public confidence are the large capital and surplus and the well-known capability of its officers. It is the aim of the company to give the strictest attention to the interests of its depositors and clients, and to earn the approval of those who exercise careful judgment in selecting a depositary for their funds or a company to act as administrator, executor, trustee, etc.

The utmost liberality consistent with absolute safety is extended to borrowers engaged in sound business enterprises, and those in charge of important undertakings are afforded the facilities which only a corporation of large capital can grant. Its trust company powers also enable the company to be more serviceable to its customers than if it were narrowly restricted to the functions which National and other banks may perform.

The officers of the Central Trust Company are: President, Frank J. Symmes; Vice-President, A. Poniatowski; Cashier, H. Brunner; Assistant Cashiers, R. T. Crist and J. C. Rued.

CALIFORNIA SAFE DEPOSIT AND TRUST COMPANY.

Measured by its growth, which is a good standard by which to judge of the management of an institution, the California Safe Deposit and Trust Co., of San Francisco, has been remarkably successful. This is shown by the following comparative statement of total deposits on the dates named:

	Total deposits.
January 1, 1883	$91,000
January 1, 1893	1,155,000
January 1, 1903	5,126,000
July 1, 1903	5,464,000

The company is well equipped in its various departments for handling the business entrusted to it. In the several branches of its business the company offers facilities which enable it to fully meet the wants of its customers.

The trust company department is prepared to discharge all those functions which it is now recognized can be done so much better than by individuals acting in the same capacities, and the California Safe Deposit and Trust Co. has established a fine reputation for care and skill in handling estates and investments.

Every description of banking is also carried on, both commercial and savings, and ample and strongly-built vaults give safe protection to money, securities and other property committed to the company's care.

The high position which the company has reached is indicated by the following condensed financial statement of July 1, 1903:

RESOURCES.

Real estate (safe deposit bld'g)		$700,000.00
Safe deposit vaults and fixtures		130,553.89
Other real estate		111,220.16
Interest accrued but not yet due		25,630.90
Time loans		1,753,481.70
Demand loans	$1,832,264.59	
Stock and bonds	1,294,739.06	
Cash	932,799.80	4,059,803.45
Total		$6,780,690.10

LIABILITIES.

Capital stock		$1,000,000.00
Surplus and profits		316,031.27
Dividends unpaid		138.00
Time deposits	$2,926,103.86	
Demand deposits	2,538,416.97	5,464,520.83
Total		$6,780,690.10

As will be seen by the above statement it is the aim of the company to keep in a strong position, and this policy has been instrumental in gaining and keeping the confidence of the public. The wise and capable management of the company assures a continuance of that success which has marked the past twenty years of the company's history.

UNION PACIFIC RAILWAY.

Bankers attending the San Francisco convention, as well as others who may travel in the West or Northwest at any time, will find the Union Pacific Railway a direct and pleasant route by which to reach all prominent Pacific Coast cities and the principal intermediate points. The journey to San Francisco may be made either by way of Kansas City and Denver, or Omaha, taking in Salt Lake City and the unapproachable scenery on the way.

The roadbed, equipment and speed all combine to make a trip over the Union Pacific one of pleasure, while the variety and beauty of the scenery and the many other attractive features which this line affords make it an especial favorite with the traveling public. The service conforms to the best standard of modern railway enterprise, and will appeal strongly to the bankers of the country.

The Union Pacific will doubtless carry large numbers to the convention at San Francisco.

LOS ANGELES, CAL.

AMERICAN NATIONAL BANK.

One of the large banks of Los Angeles is the American National Bank. It came under the National banking system January 1, 1903, succeeding at the time to the business of the California Bank. Its capital is $1,000,000 fully paid, and it has deposits of $3,600,000.

W. F. BOTSFORD, *President.*

Measured by results this institution may be justly called a successful bank, and these results have been secured by strict adherence to the highest principles of business, coupled with energetic and skillful management.

Now that the bank has become qualified to act as reserve agent for other National banks, its deposit accounts are sure to increase even more rapidly than they have in the past.

It will be found that the accounts of correspondents will be looked after most carefully with the view to establishing permanent and mutually profitable relations, and it will be the aim of those in charge of this special department to keep its facilities up to the highest attainable standard.

The officers of the American National Bank are: President, W. F. Botsford; Vice-Presidents, W. J. Washburn, T. E Newlin, J. G. Mossin, W. J. Doran; Cashier, T. W. Phelps; Assistant Cashier, C. M. Wood.

The board of directors is composed of such sterling men as W. F. Botsford H. E. Huntington, M. J. Connell, J. A. Muir, Epes Randolph, Homer Laughlin W. S. Newhall, T. E. Newlin, Dr. Jno. R. Haynes, W. J. Washburn and H. C Witmer. Such a representative board is a guarantee that all business entrusted to the bank's care will be managed satisfactorily.

T. W. PHELPS, *Cashier.*

The remarkable addition made to its accounts in the past few years may be attributed to the energy and discrimination of its management.

SEATTLE, WASHINGTON.

SCANDINAVIAN-AMERICAN BANK.

The Scandinavian-American Bank celebrated its eleventh anniversary on April

ANDREW CHILBERG, *President.*

27. Its paid-up capital is $300,000 and its surplus $150,000, a total of $450,000, besides the undivided earnings which amounted to $34,459 on May 29, 1903. For some time the business of the bank had demanded a larger capital, and realizing this, the directors voted the increase at the annual meeting held in January last. A remarkable incident of this transaction is the fact that this two thousand additional shares was sold at a profit of $75 per share, and the total of $150,000 was set aside as a surplus.

The Scandinavian-American Bank has been in existence eleven years, and in that time it has grown from small beginnings to a place in the ranks of the strongest financial institutions in the State. Even though its deposits under its present capitalization should ultimately reach $5,000,000, it can readily be seen that it would offer equal protection to its depositors with any other bank or banks in the State.

The statement of the Scandinavian-American Bank under this new expansion was on May 1, 1903, given as follows:

Capital paid up	$300,000
Stockholders' liability	300,000
Surplus and profits	175,000
Total	$775,000

The men who organized this bank in the early nineties were successful men at that time. The head of the bank then is still at the head of the management to-day. Mr. Andrew Chilberg's career as a financier and as the executive officer of the bank has been pronounced. The

A. H. SOELBERG, *Vice-President.*

late A. Amunds, its Vice-President at the time of organization, was noted as a successful and very conservative business man. W. H. Talbott was the bank's first Cashier.

To the careful business tact of these men in its early days is due much of the

F. W. LANE, Cashier.

success which has since come to it and made the name of the Scandinavian-American Bank one of the best in the State of Washington. Its paid-up capital was at that time, 1892, $45,000. While its earnings from the beginning were not very large, yet in a few years it had accumulated a surplus larger than its capital. From this surplus its capital has paid fifty per cent. in dividends, besides adding to its surplus.

The policy of the bank has always been a conservative one, as in addition to its large cash reserve, which has not during the last five years been below forty per cent., it has carried and still continues to do so, a large percentage of demand paper, besides county and city warrants to the amount of nearly $100,-000.

The board of directors of the bank number seven, all of whom are active in its management and noted for a wise and conservative policy. This number will soon be increased to nine members, and possibly eleven, in order to make room for representatives of California and Eastern capitalists who have acquired a considerable block of the new stock.

The growing business and commercial interests of the city of Ballard demanding banking facilities nearer than Seattle, the Scandinavian-American Bank in February last opened a branch institution in that place. This branch is under the active management of Assistant Cashier Wm. Thaanum, formerly auditor and Assistant Cashier of the Washington National Bank, of Seattle. Since that time Ballard's mill interests and other business have been accommodated with ample banking facilities.

The present officers of the Scandinavian-American Bank are: Andrew Chilberg, President; A. H. Soelberg, Vice-President; J. F. Lane, Cashier, and George R. Fisher, Assistant Cashier. These men have the active control of the institution and are all thoroughly versed in financial matters. Mr. Chilberg, as was said above, has been at the head of the bank since its organization. Mr. Soelberg has also been with the bank since its organization in 1892, and Mr. Lane entered the bank in 1895. Mr. Fisher was fomerly Assistant Cashier of the First National Bank, of Seattle.

That the success which has attended this bank has been due largely to the men who have looked after its business every day, there can be no doubt. This progress can best be shown in a comparative statement of the deposits. From May 31, 1892, to May 31, 1903, the deposits grew from a little over $19,000 to over $2,346,000. A complete statement of the gradual increase of deposits in the Scandinavian-American Bank from its organization to the present time is shown in the following:

May 31.	*Deposits.*
1892	$19,256.07
1893	93,079.67
1894	73,539.28
1895	117,216.58
1896	152,241.16
1897	170,594.08
1898	421,815.96
1899	557,694.44
1900	966,989.74
1901	1,509,315.92
1902	1,757,863.00
1903	2,346,329.96

DEXTER HORTON & CO., BANKERS.

So closely has the name of Dexter Horton & Co. been linked with the commercial affairs and development of the City of Seattle and State of Washington,

BANK OF DEXTER HORTON & CO.

that its name is a household synonym of financial strength and conservatism in the Pacific Northwest.

Founded in 1870, it continued business as a private bank until 1887, when it was incorporated as a State bank under Territorial charter, and its powers and influence broadened, and such names as A. A. Denny, Dexter Horton and J. R. Lewis, of Seattle, C. W. Moore, of Boise, Idaho, and W. S. Ladd and Theo. B. Wilcox, of Portland, all men of high standing and financial strength, were numbered as its stockholders.

It enjoys the distinction of being the oldest bank in Washington, and its ability to serve its customers and the popularity of its policy and management have kept it well in the lead of competitors in volume of business.

Its management from 1870 until 1887 was under Dexter Horton; from 1887 until 1890 under Judge John P. Hoyt, and since 1890 under N. H. Latimer.

Its growth and prosperity are best evidenced by the comparative statements below:

Comparative Statement of Deposits.

DATE.	*Deposits.*
May 31, 1897	$637,750.02
" 1898	1,345,248.41
" 1899	1,983,045.97
" 1900	2,730,063.34
" 1901	3,929,769.17
" 1902	4,662,646.86
June 9, 1903	5,454,402.79

Its present board of directors are: Dexter Horton, R. H. Denny, W. M. Ladd, M. W. Peterson and N. H. Latimer.

Its active officers are: N. H. Latimer, Manager; M. W. Peterson, Cashier; C. E. Burnside, Assistant Cashier, and G. F. Clark, 2d Assistant Cashier.

It owns its own bank building, constructed in 1892, and so rapid has its growth continued that it is now remodeling its building so as to double its banking room, which, when completed, will be one of the largest and most modern in arrangement on the coast.

PORTLAND, ORE.

FIRST NATIONAL BANK.

This is the oldest National bank on the Pacific Coast, having been organized July 4, 1865, and it is also the largest in the Northwest, its deposits amounting to over $8,000,000.

Since its organization the First National Bank, of Portland, Oregon, has paid $3,317,000 in dividends to its stockholders. The bank employs a force of forty-five people to handle its large and growing volume of business.

FIRST NATIONAL BANK.

Hon. H. W. Corbett, formerly United States Senator from Oregon, was for many years President of this bank. On his death, which occurred recently, he was succeeded by A. L. Mills, the Vice-President. J. W. Newkirk is Cashier, W. C. Alvord, Assistant Cashier, and B. F. Stevens, 2d Assistant Cashier.

LADD & TILTON.

It was during the year 1858 that William S. Ladd and Charles E. Tilton inaugurated preparations for the formation of a bank at Portland, Oregon. On June 1, 1859, their arrangements had become perfected and the bank was formally opened for business under the name of Ladd & Tilton, Bankers. This name the bank has retained during its entire forty-four years of existence. It was but three months and eighteen days prior to the date of the opening of the bank that Oregon had been admitted as a State to the Union, and at that time the entire section of country which now includes Oregon, Washington, Idaho, and those portions of Montana and Wyoming west of the Rocky Mountains and north of the forty-second parallel, was generally known to the world as the "Oregon Country."

The present thriving and rapidly-growing city of Portland, with its 125,000 people, was then but little more than a hamlet, and the entire "Oregon Country," with its vast and varied resources, was so sparsely settled and so isolated from the other sections of the United States that it seemed almost like a foreign land to the vast majority of the American people.

The co-partnership between Mr. Ladd and Mr. Tilton continued until 1880, when Mr. Tilton disposed of his interest in the business to Mr. Ladd and retired from the firm, having amassed a large fortune from the profits of the bank, which had steadily increased its capital and surplus and had built up a large and lucrative business.

William S. Ladd was during his lifetime one of the conspicuous figures in the history of Oregon. While essentially an able and conservative banker and devoted to his banking interests, he was a man of endless enterprise and of great moral courage in commercial undertakings. He promoted and participated in many projects of magnitude and importance, which have been factors of substantial value in the development of the commercial interests of the entire Northwest region. At his death, which

LADD AND TILTON BUILDING.

LADD AND TILTON BUILDING—INTERIOR VIEW.

occurred in 1893, he left an estate valued at many millions, the management of which is now vested in his sons, William M., Charles E., and John Wesley. The bank has never been incorporated and still remains a private banking firm. It enjoys the distinction of being the oldest banking-house in existence in the Pacific Northwest and is one of the very few prominent banks on the Pacific Coast which are not organized under either State or National charters. The bank conducts a strictly commercial business, and is a member of the Portland Clearing-House Association.

It enjoys in a high degree the confidence and esteem of the residents of Portland and the entire section of country tributary to it, and while its business is already very large, each year adds materially to its volume. Its financial strength is indicated by a responsibility amounting to $5,000,000.

In addition to their extensive interests at Portland, Ladd & Tilton control several prominent banking institutions located in the State of Washington, among which are Dexter Horton & Co., Bankers, Seattle; Pacific National Bank, Tacoma, and Merchants Bank, Port Townsend. They are also identified in a smaller way with a number of other banks and kindred institutions and have very extensive holdings of real estate and other properties throughout the States of Oregon and Washington.

KANSAS CITY, MO.

NATIONAL BANK OF COMMERCE.

If the broad expanse of country, commonly referred to as the "Great Southwest," were an empire, Kansas City would be its logical and undisputed capital. The industrial, mercantile and packing interests, together with the large centralization of railroads which the city holds, have brought its prominence in these lines to many observers; but its commercial importance is probably less known, for not all of those persons even who seek to keep in touch with the banking interests of our country likely know that Kansas City possesses the largest bank west of Chicago, and that the city leads in the volume of bank clearings other cities of greater age, larger popula-

MAIN BANKING ROOM.

OFFICERS' APARTMENTS.

tion, and claiming more extended manufacturing and jobbing interests. But this fact was developed by the operation of the same conditions that made possible the other achievements mentioned. Not only is the city the natural market of a vast territory of immensely rich and varied resources, but it is also the financial center of a still greater area.

By force of the natural trend of trade, encouraged by those directing its banking interests, the city has become the commercial and banking clearing-house of the broad territory between the Mississippi River and the Pacific Ocean. Then, if one considers the unparalleled, and, for a considerable period, uninterrupted prosperity of this large territory with its widely diversified interests, the importance of Kansas City as a manufacturing, distributive and financial center may be better understood.

To properly care for and encourage the growth of this large volume of business required adequate banking facilities. These have always been fully provided by the number of splendid banks of the city, foremost among which, it may be said, stands the National Bank of Commerce. The bank was established under a special act of the Legislature in 1865 as a Savings bank, with a paid-up capital of $10,000, at which time Kansas City was little more than a trading-post. Sixteen years later found a city of considerable size and business. Dr. W. S. Woods, a successful dry goods merchant, then became President of the bank, which in the following year was reorganized under a new charter as the Bank of Commerce, with $200,000 paid-up capital. The institution keeping pace, by increase of capital and other facilities, with the growth of business, as the hamlet passed into a village and on to the city of to-day with its manifold large and varied interests and business activities, the bank is found under a National charter (taken in 1887) with a capital of $1,000,000 and surplus and undivided profits of $1,550,000.

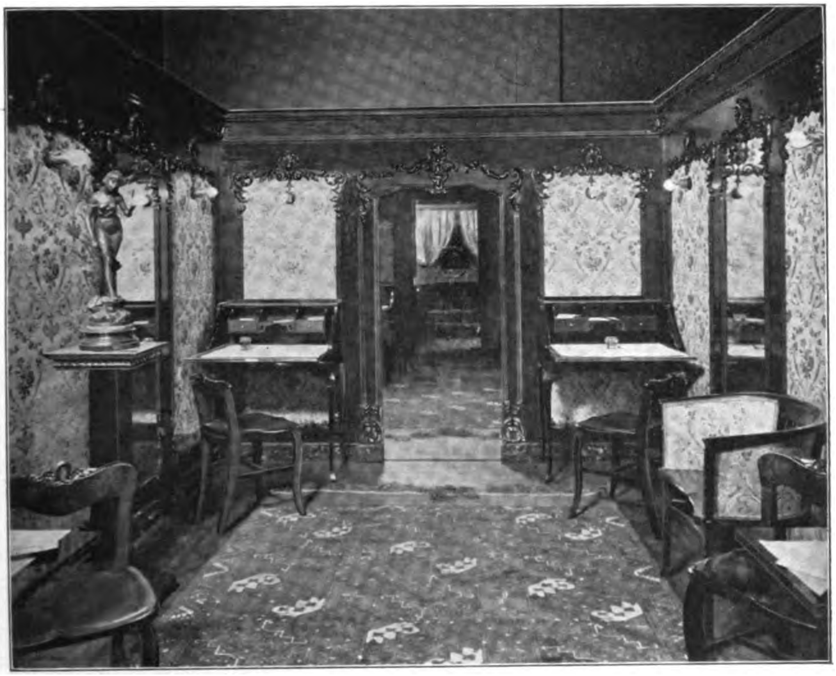
Prominent in its history of thirty-eight years, and testifying positively to its notable success, would appear the capacity and fidelity of the management in that, always seeking to serve the best interests of its customers, yet never relaxing the principles of legitimate banking, it has passed without disturbance the several severe financial storms and panics that left wrecks in their course, growing in strength and favor, as is evidenced by its present substantial capital and surplus of two and a half millions of dollars, with the splendid line of thirty-three millions of dollars deposits, giving to it the distinction of being not only the oldest and largest bank in the city, but also the largest in the entire Southwest and West. With active correspondents and connections, not only throughout the entire trade territory of Kansas City, but all other business sections of the world as well, with ample capital and otherwise thorough equipment, its facilities and ability for fully serving its trade are unsurpassed, and give it an exceptionally strong position.

GENERAL VIEW, LADIES' DEPARTMENT.

Dr. W. S. Woods, President, W. H. Winants, Vice-President, W. A. Rule, Cashier, Chas. H. Moore and F. H. Head, Assistant Cashiers, the present executive force of the bank, are all of many years' practical experience, in which unvarying success has proven their adaptability for their work. These, with a directorate of men long identified with substantial business interests and affairs of the city, give to the institution an especially strong management.

A better appreciation of the volume and detail of the business flowing daily through the bank may be had by the figures of an ordinary day's transactions, showing that the cash remittances from, and dispatched to, correspondents, aggregated in a round amount $6,330,000, with clearings on the same day of $2,575,000, and total deposits of nearly $5,000,000. To handle this business requires the services of an average of 200 persons.

In January, 1899, a special department for ladies was organized, being the first



WRITING ROOM, LADIES' DEPARTMENT.

of its kind in the West. Separate tellers were installed, and tastefully-equipped apartments were arranged for the exclusive use of women. So marked was its success that the accommodations soon became inadequate, and in the enlargement of the general quarters of the bank, recently completed to meet the necessities of increasing business, entirely new and more commodious apartments, beautifully designed and furnished, have been provided for the ladies' departments.

The bank owns its own building, a commodious and substantial seven-story structure of stone and brick, prominently located, having a modern physical equipment, handsomely fitted and furnished, providing convenience and comfort to the patrons and the employed.

The notable success of this institution and its incident and substantial growth have not only brought it prestige and admiration at home, but prominence and credit abroad, and is a splendid example of a modern bank that affords its customers the highest perfection of service admissible under legitimate and prudent methods.

NORFOLK, VA.

NORFOLK NATIONAL BANK.

The President of this bank, Mr. Caldwell Hardy, is, perhaps, one of the best-known and most popular bank officers in the country, which is largely due to the valuable service he has rendered the American Bankers' Association, first, as Chairman of the Executive Council, later, as its Vice-President, and last November at New Orleans he was elected its President.

When the Norfolk National Bank was

organized in 1885 he became its Cashier and in 1899 its President. The bank has been successful from the start, and is not only the leading bank in its city, but is one of the largest banks in the State of Virginia. Besides its capital of $400,000, it has accumulated over $400,000 surplus and undivided profits, and since its organization has paid $492,000 in dividends to its stockholders. Its strength is best attested by the following statement made at the close of business on July 1, 1903.

RESOURCES.

Loans and discounts		$1,705,090.58
U. S. bonds at par, 2's..	$650,000.00	
Sundry	40,000.00	
		690,000.00
Other bonds		258,300.00
Banking house		25,000.00
Cash	$241,354.65	
Due from banks	926,834.85	
		1,168,189.50
Total		$3,846,580.08

LIABILITIES.

Capital	$400,000.00
Surplus	200,000.00
Undivided profits	230,683.75
Dividend, 4 per cent., 6 months, and 2 per cent. extra dividend..	24,000.00
Circulation	50,000.00
Deposits	2,651,896.33
U. S. bond account	290,000.00
Total	$3,846,580.08

A full list of the officers and directors of the bank follows:

Officers: Caldwell Hardy, President, president of the American Bankers' Association; C. W. Grandy, Vice-President; A. B. Schwarzkopf, Cashier; W. A. Godwin, Assistant Cashier.

Directors: C. W. Grandy, M. L. T. Davis, of M. L. T. Davis & Co.; W. D. Rountree, of W. D. Rountree & Co.; William H. White, F. S. Royster, president of F. S. Royster Guano Co.; R. P. Waller, John N. Vaughan, of Vaughan & Barnes; D. Lowenberg, J. G. Womble, C. A. Woodard, C. Billups, of C. Billups, Son & Co.; Thos. R. Ballentine, Caldwell Hardy, William M. Whaley, president of Roanoke R. R. & L. Co.; Henry Kirn.

The correspondents of the bank are: National City Bank, New York; National Bank of Commerce in New York; National Park Bank, New York; National Bank of the Republic, Boston; Farmers and Mechanics' National Bank, Philadelphia; Fourth Street National Bank, Philadelphia; Merchants' National Bank, Baltimore; Drovers and Mechanics' National Bank, Baltimore; Riggs National Bank, Washington, D. C.; Traders' National Bank, Washington, D. C.; Fourth National Bank, Cincinnati; Continental National Bank, Chicago.

NATIONAL BANK OF COMMERCE.

Both Norfolk and the tributary country are enjoying a period of marked prosperity, and this is naturally reflected in the increase in the size of the figures reported by the banks. The National Bank of Commerce exhibits a striking gain in its capital, surplus and profits and deposits in recent years. Its capital has grown from $50,000 in 1890 to $500,000 at the present time, and the surplus and profits from $41,000 to $300,000. Individual deposits were $381,000 on January 31, 1897, and $1,279,000 July 16, 1902, and since the latter date there has also been a very large gain.

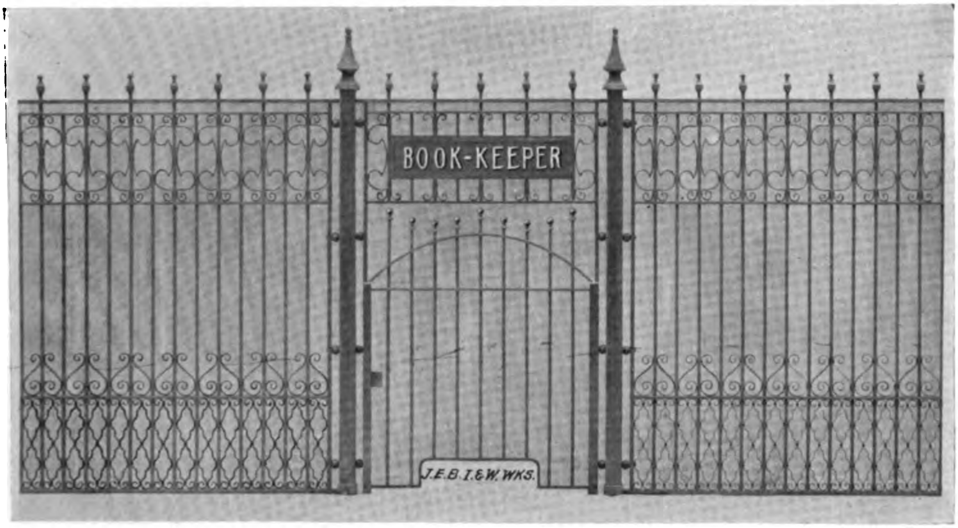
The volume of business of the National Bank of Commerce will be still further enlarged by an event recently consummated. This was the absorption of the City National Bank of Norfolk, an institution having $200,000 capital. The interests brought together by the consolidation will, by united effort, enhance the already high standing and prosperous situation of the National Bank of Commerce.

The officers of the National Bank of Commerce are: President, Nathaniel Beaman; Vice-President, R. P. Voight; Cashier, Hugh M. Kerr; Assistant Cashier, M. C. Ferebee.

Under their management, seconded by an exceptionally strong and representative board of directors, the bank has risen steadily to its present enviable position.

ARTISTIC BANK RAILINGS.

The J. E. Bolles Iron and Wire Works, Detroit, Mich., have recently fitted up several fine banking offices in various parts of the country with ornamental office fixtures. The accompanying illustration is a handsome electro-bronze railing designed by Wm. H. Miller, architect, Ithaca, N. Y., for the Ithaca Savings Bank, of the same place. The uprights are 5-16 square steel, light and strong but pur-



posely left plain at the center so as not to obstruct the view. It is artistically provided with close ornamentation at the bottom, which affords the necessary protection.

The management are perfectly familiar with the manufacture of high-grade work and their product includes bank fixtures, grilles, elevator cabs and enclosures, plain and ornamental iron and brass work in large variety. They are constantly adding new designs and are thus enabled to furnish their customers with strictly up-to-date work. Their trade extends to all parts of the United States and several foreign countries.

Delay In Substition of Bonds.—Secretary Shaw, it is said, will not insist upon his order that the National banks, which in the financial stress of last year were allowed to deposit State and city bonds with the Treasury as security for Government deposits, must substitute Government bonds therefor by August 1.

The Government accepted about $20,000,000 of the State and city bonds during last August and September, and the banks have taken up only a small part of the amount, notwithstanding the fact that it is some months since Secretary Shaw issued his order that they be retired from the Treasury by August 1. Mr. Shaw will not revoke his order, but it is announced at the Treasury Department, that, owing to the present conditions in the money markets, he will allow the banks a little leeway to make the exchange.

The Government money held by the banks on the bonds deposited with the Treasury now amounts to more than $15,000,000, and to insist that Government bonds be substituted or the money returned immediately to the Treasury, it is feared, would cause an unnecessary disturbance.

CHARLES A. SCHIEREN.

PRESIDENT NEW YORK SAVINGS BANKS ASSOCIATION.

Charles A. Schieren is the senior member and founder of the firm of Chas. A. Schieren & Co., tanners of leather and manufacturers of leather belting, located in the famous old "Swamp," the leather district of New York.

In 1868 Mr. Schieren started the business in a small way; it has grown to one of the leading concerns in this country. His success is largely due to his enterprise and push, keeping abreast with the marvelous development of this progressive age. He is considered an expert on leather belting, having invented and improved many valuable appliances for belting.

CHARLES A. SCHIEREN.

In 1886 Mr. Schieren was elected a trustee of the Germania Savings Bank, of Brooklyn, and succeeded the late Frederick A. Schroeder as President of the bank.

In 1901 Mr. Schieren was one of the originators and founders of the Hide and Leather National Bank, of New York, and was its Vice-President up to the time of the bank's being merged into the Western National Bank, which occurred last year.

In 1893 Mr. Schieren was elected Mayor of Brooklyn and served in that capacity two years. He is connected with the leading charitable and religious societies of Brooklyn and has held several honorable positions on the Commerce Commission of the State of New York and Charter Revision Commission of the City of New York.

In 1902 he was elected president of the New York Savings Banks Association and was re-elected for the present year.

German Financial Statistics.—During the first six months of 1903 the new emission of stocks and bonds listed in the German bourses amounted to 923,180,000 marks ($219,716,840) nominal value and 923,990,000 marks ($219,909,620) market value. Of these, 804,780,000 marks ($191,537,640) represented domestic securities and 118,400,000 marks ($28,179,200) foreign securities. The shares of joint-stock companies amounted to but 91,460,000 marks ($21,767,480) in the foregoing. During the corresponding six months of 1902 the new securities placed on the market aggregated 1,483,390,000 marks ($353,046,820). During the first six months of 1903 the number of new joint-stock companies organized in Germany was but forty-two, having a total share capital of 78,000,000 marks ($18,534,000).

Since the year 1899 the creation of joint-stock companies has steadily decreased, owing to business crises, which checked industrial and financial activity, more especially in the lines of metal-working industries, machine building, electrical plants, and breweries. A few of the large banking joint-stock companies have increased their share capital, having extended their business by buying out private banking concerns or taking up the business of joint-stock companies which had failed.

CARL R. SCHULTZ.

THE NEW PRESIDENT OF THE EQUITABLE NATIONAL BANK OF NEW YORK.

The advancement of young men to positions of the highest responsibility is one of the striking features of modern banking and one whose wisdom has been fully demonstrated by results. This does not imply that the wisdom and experience that belong to age are less regarded now than formerly, but it is simply a manifestation of that spirit of enterprise and energy that permeates all business undertakings, and which it was inevitable that banking must adopt if it was to keep pace with twentieth-century business requirements. Nor is it rare in these days to find in the young man, properly trained in business, a degree of skill and judgment heretofore regarded as the exclusive property of the man of mature age. Energy and progressiveness of the right sort are in no sense incompatible with safety, but on the contrary the bank whose management lacks the proper amount of push and enterprise is apt to find its business gradually absorbed by its more progressive rivals. The go ahead quality, so necessary to success, is apt to be found in the younger business men who have had experience in the successful conduct of large undertakings. Many instances might be mentioned where young men have been advanced to the highest executive positions in the large banks of the city in the last ten years, and in practically every case the result has shown the wisdom of the step.

CARL R. SCHULTZ.

One of the latest instances of the advancement of a successful young business man to the executive management of a city bank is furnished by the election of Mr. Carl R. Schultz to the presidency of the Equitable National Bank, located at 805 Broadway, New York city. Mr. Schultz is only twenty-seven years of age, and is the youngest bank President in the city, and one of the youngest in the country. He has successfully managed the mineral-water business left by his late father.

Mr. Schultz has been a director of the Equitable National Bank for some time, and when the presidency was left vacant by the recent resignation of James M. Bell, he was selected by the board as the fittest man for the President of the bank. The capacity manifested by Mr. Schultz in his business relations heretofore, and the keen knowledge of men and credits shown during his service on the board of directors, assure him a successful career as a bank President.

Mr. Schultz resides at Murray Hill, in Union county, N. J.

CLEARING-HOUSE EMERGENCY CIRCULATION.

[An address delivered by THEODORE GILMAN, of New York city, before the recent convention of the Washington State Bankers' Association.]

Secretary Shaw is reported to have said, since he assumed his present office, that whenever the banking question is settled, it must be on axioms. Such a remark is in harmony with his methods of thought and action, and it is worthy of the careful consideration of all bankers and of the country at large. It has its positive and negative side. On the one hand it sets up truth and principle and the public good as the guide in financial discussions, and on the other it sets aside not only all experiments and untried measures, and unsound financial doctrines, but all seeking for self-advantage and private profit.

Let us see now whether it is not possible to reach a satisfactory conclusion on this unsettled banking question by following the suggestion of our Secretary and by basing an argument upon the acknowledged principles and the universally-accepted axioms of banking.

In an assembly such as this, composed of bankers from commercial centers where the frequently-recurring money pressures of our country are felt, and of bankers from localities where the need of support from banks in the cities is a common experience, the following proposition formulated by H. D. Mac Leod, of England, will, I think, be accepted as needing little demonstration:

"In the modern system of credit it is indispensably necessary that there should be some source to create and issue solid credit to sustain solvent houses in a monetary panic."

It cannot be disputed or denied that we are doing business under the modern system of credit, nor that that system is liable to periods of disturbance and of lack of confidence, which may and often do result in panics and money pressures, nor that solvent banks and commercial houses ought to be carried safely through such troublous times, nor that free offers of money or credit will accomplish that end, nor that the credit must be solid and strong enough to circulate at par in the wildest panic, nor, therefore, that there should be established some source or sources legally authorized to issue this solid credit for the purpose named. This proposition is the end to which all Mac Leod's wide experience as a mercantile lawyer and all his profound studies as a lecturer on the mercantile law of credit, have led him. But we do not need any authority, however learned, to sustain this aphorism. It appeals to the common sense and daily experience of every banker, even if he has only been in business for the past year.

It is a great convenience in a discussion like this to use a proposition of this kind as a starting point, because it enables us to leave behind much preliminary argument and to take up without further delay the main subject on which I am appointed to address you, which is simply this: if it is indispensably necessary to have a source or sources to issue solid credit to sustain solvent banks and commercial houses in a period of stringency or monetary panic, how shall we get such sources, how shall they be established, what must be avoided in their establishment, and what safeguards must be thrown around them to secure the object aimed at with absolute safety. This subject is as important here in Whatcom as it is in New York. Money pressures follow the laws of other pressures. Pascal's law of the equality of pressures is as true in finance as it is in physics. A money pressure in New York is transmitted in all directions and is felt on the Pacific Coast as well as on the Atlantic.

Rejection of Some Proposed Reforms.

We will clear the ground by first throwing aside the financial measures which the country does not want, for that is the practical way of proceeding with the discussion, and this is a practical business talk.

First, we do not want a governmental bank. The voices in favor of such a bank have been growing fainter and fainter during the past few years, until they are now hardly audible. Andrew Jackson conferred a great benefit on this country when he terminated the last United States Bank, which was fast becoming an influence threatening to American institutions. It is fortunate that now the proposition for a governmental bank can be dismissed with these few words.

Second, we do not want branch banking. We all have the kindest feelings towards the accomplished and indefatigable Chairman of the Banking and Currency Committee of the House of Representatives, and we recognize that the bill No. 13,363 of the Fifty-seventh Congress contains provisions which have been handed down from previous committees and for which he should not be held primarily responsible. But the truest kindness to the committee and to the coterie of foreigners and their friends who are interested in the scheme contained in the bill, is to say to them plainly that now that the public understand what is the purport and object of the bill, it will never become a law. It is true that it glitters with gold for its promoters, but perhaps ninety-nine and one-half per cent. of the bankers of the United States are opposed to it, and that ends it. The golden visions must fade away, for they will never be realized.

Third, we do not want an asset currency issued by banks on their individual responsibility. Such currency would not be solid credit which could not fail in the wildest panic. It would fail and be a delusion. It would promote inflation. The power to issue such currency would be a legal perquisite of the banks and would be used to its fullest extent, thus fostering speculation and bringing about an inevitable crash.

It has been proposed to lay a heavy tax on such issues, hoping thereby to force contraction by making the issues unprofitable. This is the chief defect of the German system. It would raise money rates generally whenever the tax was paid even on a small loan. The tax would of course be paid by the borrower. It would in effect be a penalty laid on active business. The farmer would pay this tax for moving his crops, which is evidently unjust. The true policy should be to protect all such legitimate business from high rates of interest.

Separation of Banking and Currency Functions.

But the principal objection to the issue of currency by banks on their individual responsibility is that the method is radically unsound and dangerous. The power to issue currency should be separate from the banking function. Lord Overstone, who was chief among the framers of the present charter of the Bank of England, wrote, in 1840: "The two things, the issue of paper currency, and the management of banking deposits, cannot be blended together in one system and treated by the same laws, and be governed by the same principles." He quoted with approval the following sentence from Webster's speech of March 12, 1836, "A National bank might be established with more regard to its functions of issuing currency than to its functions of discount." These two remarks, by Lord Overstone and Daniel Webster, should be considered as axioms, because if there is any fact proved by example in history, from the management of the Bank of England down to that of the smallest wildcat bank of our own country, it is that directors of popular individual banks cannot be safely trusted with the power to issue currency without supervision and to hold the security themselves. The power of issue is limited to one bank in France, and to half a dozen in Germany, and the thousands of popular banks in those countries do not possess it. It would be diametrically opposed to the example of those countries if we gave the power of issue to six thousand or more banks in the United States.

The power of issue was separated from the banking function and made part of the State banking department, first, by the free banking act of New York in 1838. It was separated again by the National Bank Act in 1863, and placed under the supervision of the Comptroller of the Currency. It is separated in the popular banks of France and Germany and given only to the few governmental banks. It was separated in the charter of the Bank of England in 1844, following in point of time as well as under the guidance of the opinion of Webster, and we cannot reasonably now disregard the settled practice of our own laws and those of all civilized nations.

We have now eliminated from the discussion three of the principal modes of creating sources for the issue of credit—a governmental bank, branch banks and an asset currency issued by numerous individual banks. This is destructive criticism, but what we want is constructive results, and the question contained in our first axiom comes back to us, how can we construct safely the sources for the issue of solid credit?

Taking the National Bank Act as our authority and guide, we maintain that these sources must be separate from the popular banks. It then becomes apparent that Webster pointed out the way when he suggested national corporations which shall supervise the issue of currency and have nothing to do with the care of banking deposits. This thought uttered by our great American statesman had its influence in shaping the present charter of the Bank of England. Under its leadership we can go on and overcome our present difficulties which Webster's genius enabled him to see the solution of over sixty years ago.

Clearing-Houses the Proper Instrumentalities for Issuing Currency.

Some of our clearing-houses already perform this function in just the way Webster suggested and Lord Overstone insisted on. They are institutions separate from the popular banks. They issue clearing-house certificates to be sure, but these are a kind of half-developed currency and clearing-houses could just as easily issue the certificates in the form of a perfect bank-note currency to circulate as money as issue it in the form of rudimental certificates.

Clearing-houses are one remove from the popular bank which is exposed to the urgent solicitation of its borrowers, and therefore conservative action may always be confidently expected from them. The clearing-house would inspect every security offered as collateral, and the supervision would thus be obtained which Lord Overstone said is an essential condition for a currency which is to possess solid credit. It is evident that such clearing-house currency would give interior banks something with which to grant accommodations or pay depositors. It would thus protect their reserves by doing the work now done by legal tenders. This ex-Secretary Gage clearly explained in his report to Congress of December, 1899.

Let us now go back again to our axiom and see how it agrees with what has been said. Put in the form of a specific statement, it would read as follows: "In our modern system of credit as practised in the United States, it is indispensably necessary that our clearing-houses should be incorporated under a general Federal law, and be authorized to issue solid credit in the form of currency to sustain solvent banks and business houses in a monetary panic."

Why does not the axiom when thus applied meet all the requirements of our financial situation?

The Banking and Currency Committee of the House of Representatives very wisely adopted the rule that they would hear no argument unless on a bill which had been introduced in the House and referred to them as a completed measure. How much talk would be stopped if that rule were enforced out of Congress as well as in. Conforming to this requirement this clearing-house proposition was put in the form of a bill and introduced in the Fifty-fourth, Fifty-fifth and the first session of the Fifty-seventh Congress. In the last it was introduced in the Senate by Senator Platt of New York, as Bill No. 2716, and in the House by Representative Pugsley as Bill No. 7950. Arguments were made before the House Committees of the Fifty-fourth and Fifty-fifth Congresses and the general proposition has been received by the public with constantly-increasing favor. Many suggestions made by the committee and by prominent bankers have been incorporated in the bill.

The discussion of the subject is therefore both academic and practical. It relates both to the principles and axioms on which the bill is based and to the practical details which experienced bankers have considered essential. To give a practical turn to this discussion, it is necessary to refer to this measure and explain its working.

Monopoly Banking Avoided.

The bill is, first, a general law, framed on the model of the National Bank Act. If there ever has been a victory for the people in the history of our nation, it was when the principle of banking under a general law was established by the enactment by the State of New York of the free banking law of 1838, which was the prototype of the National Bank Act. There can be no monopoly under a general law. Every citizen has equal rights to the benefits of such a law. That banking must be done under a general law in the United States should be considered one of our political axioms. Under the branch banking system only a few large banks would be benefited. By the incorporation of clearing-houses under a general Federal law, every bank in the country, small and large, would share equally in its benefits in proportion to capital. Small banks are those which are chiefly interested, for our large banks can take care of themselves and if necessary refuse to respond to calls for currency as they were compelled to do in 1893. Small traders and merchants and manufacturers and farmers are interested rather than the great trusts.

Secondly, the incorporation of clearing-houses under a Federal law meets the requirement of our opening axiom for the creation of sources which shall have power to issue solid credit to sustain solvent banks and business houses in a monetary panic. It is self-evident that clearing-houses can possess and exercise safely the power to issue currency, for they have issued clearing-house certificates for about forty years without loss, and the process in both cases would be practically the same, the main difference being in the completed form of the clearing-house currency.

Provisions for Redeemability and Safety.

Thirdly and fourthly, the two points to be guarded in the issue of clearing-house currency are safety and redemption.

Safety is obtained by limiting the security on which the currency may be issued to those assets which the National Bank Act allows the banks to invest their money in, limiting the rate of advance to seventy-five per cent. of the appraised value, limiting the amount issued to any one bank to the par of its capital, and requiring all clearing-house banks to accept these notes at par for any debts due them.

Redemption is provided for by the collateral security pledged, by the responsibility of the banks taking the currency, and by the ultimate responsibility of the clearing-houses. Also a redemption fund of five per cent. is to be placed and kept good with the issuing clearing-house, as in the case of National bank notes. The notes are also payable on demand. The loan committee of the clearing-house may call the loan and require payment, or may demand additional margin to restore impaired values. Then, finally, power is given to the Secretary of the Treasury to notify any clearing-house or bank to redeem its circulating notes whenever in his judgment such action is required for the public good or to restore elasticity to the currency. Expansion is easy enough. It is redemption or contraction which must be most especially guarded, and it is claimed that these provisions would be conservative and effective.

Availability of the Notes in Times of Crisis.

The fifth requisite is to make this currency immediately available to all clearing-houses, and to all banks and to all borrowers in case the exigencies of business demand its issue. To accomplish this one clearing-house of issue is provided for each State, and any clearing-house effecting annual clearings of over $200,000,000 may be a clearing-house of issue. The banks in a State, or in districts into which the Comptroller shall divide States having more than one clearing-house of issue, shall only do clearing-house business with the clearing-house of issue in their respective States or districts. The currency would be prepared in advance by the Comptroller at Washington, and on requisition sent to clearing-houses of issue before the busy season began. Any clearing-house of issue then would be ready to answer promptly any request for currency by a local bank, after approval of collateral offered. Preparations would thus be made in the summer for the fall demand for currency, which would thus be met as promptly as by ordering from New York or other reserve city according to present methods. No emergency could arise which would not be forestalled by this method. Consequently emergencies, periods of monetary alarm, and currency panics, with all their dire effects, would be things of the past. The "Oregonian" said editorially, in reviewing this subject in its issue of November 20, 1902, "Under the operation of this method nearly all the distresses of Portland's financial community in 1893 could have been averted."

Advantages of a Clearing-House of Issue in Each State.

By locating clearing-houses of issue in each State many advantages are gained. The intention is to recognize State boundaries and by consequence State laws and business customs. The banks in each State therefore become sponsors for the currency issued to banks in their State and any loss resulting from insufficiency of collateral security thereto is to be divided among them in proportion to capital, according to the rule now existing among clearing-houses.

The power of resistance against monetary disturbances is multiplied by separating the forces which operate to subdue it. If necessary, however, the whole power of all the banks of a State could be directed in support of a single city or locality. And all the power of all the banks in all the States could be combined in support of the Government in any crisis.

In ordinary seasons the invigorating influence of local issues of currency in supplying the needs of business through local banks where the initial business movement of the country takes place, that is among farmers and small traders, would be a most beneficial and vivifying stimulus to the development of the country. Here is where issues of currency are most needed and where they would do most good.

The currency issued on approved collateral security pledged to the State clearing-house, and guaranteed by the bank member taking it, and by the banks associated in the State clearing-house issuing it, is of a grade sufficiently high to be accepted at par by all clearing-house banks throughout the country in the same way that National bank currency is now received. The acceptance by all banks follows the precedent established by the old State bank system, by the banks of Germany and other countries. The acceptance is parallel to the provisions contained in Section I, Article IV of the Constitution of the United States, which reads as follows: "Full faith and credit shall be given in each State to the public acts, records and judicial proceedings of every other State." The basis of this requirement is that the public acts of each State are worthy in themselves of faith and credit and therefore should be accorded such faith and credit in all the States on their merits. The currency issued publicly in one State and guaranteed by the banks of the State should be received in the same way at par in all the States.

The establishment of a clearing-house of issue in each State satisfies the desire of the States to support and direct each their own finances. The clearing-house of issue takes the place of the State bank with branches which existed so successfully until superseded by the National system of 1863.

Other methods of carrying out the clearing-house idea than by giving one clearing-house of issue to each State have been proposed, but it is submitted that they are open to serious objections. One proposition is to give the privilege of note issue only to clearing-houses whose banks have a combined capital of five millions or more. If the list of banks in the different States is consulted, it will appear that this plan would give the privilege to clearing-houses in twelve States only, while those in thirty-three States would be unprovided for except through cities in neighboring States. By such a plan there would be no clearing-house of issue between Baltimore and the Rio Grande, except at New Orleans. There would be none between St. Louis and San Francisco. The body politic cannot grow uniformly if some of its members are neglected. It is not practical to suppose that these thirty-three States would not demand and enforce recognition. Secretary Shaw said the banking question must be settled on axioms. It is also true that it will be settled by votes, and those who will give the votes are the Senators and Representatives, whose constituents include the bankers and business men in the different States. Indiana, Michigan, Texas, Georgia, Iowa and Tennessee, each have over 2,000,000 population, but no city with commercial banks whose combined capital is over $5,000,000. These States are as well entitled to a credit currency and can make one just as good as any in the Union.

Another proposition is that the clearing-houses of issue should be restricted to the reserve cities. There are at present about thirty-five reserve cities and if they could be confined to that number, the plan might not work much injustice to the different sections of the country. A serious objection, however, to this method is that the last (Fifty-seventh) Congress changed the limit of reserve cities from 50,000 population to 25,000, so that now over 160 cities are eligible as reserve centers, and the number is constantly increasing. In 1890 there were 123 of such cities, and in 1910 at the same rate of increase there might be 200. The inducement would be great to possess the power of issue, and under this plan there would be a danger that the increase in the number of reserve cities endowed with the power of issue would soon go beyond the limit of safety. States, on the other hand, do not increase in number in the same degree. For these reasons it is claimed that the only practical and satisfactory and conservative basis for the establishment of clearing-houses of issue is to allot one for each State.

Clearing-houses might be organized in any city, even if they had only five small banks, and the more of such organizations the better, but they would not possess the power to issue currency. They would, however, serve a valuable purpose in being recognized means of communication with the clearing-houses of issue, as well as facilitating the business of their bank members.

Plan Would Benefit the Money Market.

The great marts of finance and trade like New York, and all the enormous business which centers there, are benefited by this system because they would no longer be subject to the annual drains to move the wheat, cotton and corn crops. These demands produce a violent disturbance if they come at a time when all funds are busily employed. It would be a great protection to the mercantile community in New York if the annual demand for $25,000,000 greenbacks to move the crops was met by issues of clearing-houses in New Orleans, St. Louis, Chicago, San Francisco and other points. The banks of California, Washington, Oregon and Idaho have over fifty millions of banking capital, and clearing-houses in those States could issue all the currency needed to move their crops each year, without disturbing the rest of the country and with profit to themselves and to their farmers and manufacturers who would thereby get better prices for their productions. These notes could be issued safely if they were based upon and redeemed by the crops and manufactures of those States.

No greater protection to the money markets of New York and other eastern centers could be devised than the establishment of State clearing-houses at important interior cities with power to issue currency to meet local demands. The relief from all danger of a money squeeze would place a large additional profit on all securities dealt in at the New York Stock Exchange. The market for commercial paper would not be suspended, as it is now when money is tight, but would be open all the year round.

As the issues of currency are limited to the par of the capital of each bank, they would be small in States with small banking capital. In the West the farm products in some States would pay the notes four times over in any year.

When the business in any territory of the United States becomes settled so that National banks are established and wealth accumulates, this system could then with safety be extended to them.

All incorporated banks, State and National, should be entitled to membership in their local and State clearing-houses if in good standing with their respective comptrollers. They would have equal voice in the election of officers of their clearing-houses, and the majority would rule according to democratic customs. The privilege of the clearing-house would therefore be free to all under the general law of Congress. Thus the independence of all local banks would be preserved.

To avoid the disturbance arising from accumulations of money in the sub-Treasuries of the United States, it would be equitable and safe to authorize the Secretary of the Treasury to deposit with clearing-houses of issue any Government funds not needed for immediate use, in proportion to the capital of their banks, which money should be loaned by the loan committees to their banks on proper security. This would distribute the benefits of such deposits equitably all over the country.

We have now bankers' associations scattered over the country which have accomplished much good by discussions and in other ways. If the clearing-house system is established these associations should be regularly organized and made efficient aids in conducting safely the business of the banks. The Secretary of the Treasury should have some connection with and controlling power over these organizations as the representative of the interests of the public.

The above completes a cursory view of the clearing-house system proposed in the bill before Congress, and of the benefits which would be derived therefrom in sustaining and protecting the commerce and trade of the country.

This suggestion was originally made about nine years ago in response to urgent public appeals from legislative circles in Washington, asking anyone who had any solution for the banking troubles then existing to make it known. This suggestion, being then made in response to that invitation, was taken up by Senator Manderson, of Nebraska, who introduced a bill in the Senate containing the idea. The method as proposed continued to grow in public favor as the result of wide discussion, and now after having been for six years in the form of the bill which I have been discussing, it has more voluntary support than ever before.

It is to be noticed that the one object aimed at is monetary stability. All other questions are eliminated, and no experiments proposed. The greenbacks are left undisturbed. The National Bank Act stands unchanged. The office of Comptroller is continued. The convertibility of silver is not discussed. The authority of the Secretary of the Treasury is not diminished, but rather increased, and the admirable system of sub-Treasuries remains as at present.

Only one thing is done and that is to incorporate clearing-houses under a Federal law and thus make them a part of our banking system. At present but one-half of banking operations are included in our Federal system. In the other half the banks have no uniformity of organization. The acts of clearing houses, as at present established, are legal or extra-legal and perchance illegal; inclusive, exclusive or occlusive, to use Henry Clay's word. They are in accordance with the measures of the Secretary of the Treasury or in disregard of them, as the case may be. But chiefly they are not competent or able to preserve monetary stability, as our financial history shows. This act proclaims peace. The words of Daniel Webster in his speech on "The continuance of the bank charter" are applicable. He said with characteristic emphasis: "The evils, all the evils, which we now feel and feel so acutely, result from political measures, and by political measures and political measures alone, can they be redressed. They have their origin in acts of the Government and they must find their cure in other acts of Government."

What other alternative is there to relieve the country of the monetary troubles which come periodically and with such destructive effects?

I answer, none.

An asset currency issued by individual banks, they to hold the security, would only invite disaster.

A bond-secured currency has no relation to the wants of business. Its issue and retirement depend on the price of bonds, as has been often stated, not on the needs of trade. No Secretary of the Treasury has ever put forth such honest and earnest efforts to increase National bank circulation as has Secretary Shaw. The paucity of the results has shown that no adequate relief can be expected from this quarter. One might as well hope to move a modern freight train with a locomotive engine of the pattern of 1863, as to move the business of 1903 with the antiquated banking system of forty years ago.

Nor would a system of branch banks with enormous capital give the desired stability and assistance.

The branch banks of England, with their 4,300 branches, were no adequate assistance to the business public in the Baring panic. They were then needy borrowers themselves. The branch banking system in itself furnishes no resource to which appeal can be made for help when a general demand is made on all banks. The French branch banks are strong only because they can appeal to the Bank of France, which has the sole power to issue in that country a credit currency. The Credit Lyonnais, with $40,000,000 capital and 145 branches, advertises as its main resource that it has $125,000,000 of good paper which is immediately discountable at the Bank of France. Without that recourse to a credit currency, it would be in a precarious position. With it, it is impregnable. It is no discredit to the Credit Lyonnais to advertise to the world that the Bank of France is its chief reliance. In the same way it would increase the credit of our banks to have it known that they had the backing of our clearing-houses.

English, Scotch, Canadian, German and French bankers are urging on us the supposed advantages of the branch banking system with amazing pertinacity and assiduity. Foreign bankers cannot grasp the idea that our banking laws have their roots in the Declaration of Independence, and to change our democratic system to a monarchical one we must erase the banking legislation of 125 years. Branch banking drains the country for the benefit of the city. It drains it not only of money but of men. Deveau de la Malle, a recent French writer on the political economy of the Romans, quotes from the ancient historian Pliny three words which contain a valuable lesson for us. They are, "*Latifundia perdidere Italiam.*" The broad estates, or the vast combinations of capital, sent Italy to perdition. Before these enormous aggregations of money were combined in the hands of a few, Italy was covered with moderate estates over each of which presided a Roman citizen. In this sturdy, intelligent and patriotic population was the strength of the nation. From it Rome could call a Cincinnatus from his plow to take the helm of State. A change came when capital bought up these small properties, and merged them into great estates which were controlled from Rome, for then throughout the length and breadth of the land the Roman citizen was replaced by a tenant or a slave, and the strength of Italy departed. The decline and fall of the Roman Empire then began.

So it will be a lamentable event in the financial history of the United States, when, if ever, the branch banking system replaces the intelligent and patriotic local banker with an agent or a clerk. No longer then could the nation call a man from his small country bank to take control of a State or the management of the Federal finances, for the race of our Cincinnati would then be extinct.

Though the banking discussion in our country during the past century has been protracted and deliberate, how simple the proposal for a clearing-house system is. It proposes no experiments. It is based on experience and the indisputable axioms of banking.

The service rendered by such a system is to take up the jars and jolts of business and give quiet and stability to the credit system, even when going at its greatest speed.

Can a manufacturer afford not to use a labor-saving device by which the cost of his product is greatly lessened? Can a railroad afford to neglect the use of devices to promote the safe and cheap transmission of freight and passengers? In the same way can the United States afford to go on using an antiquated banking system which occasions prodigious losses at frequent intervals, when the means of avoiding these losses lies unused at our hands?

It Is "Asset Currency."—Some of those discussing the proposed new system of paper issues say "asset currency" and some say "assets currency." Which is right?

When the phrase first came into use in this country after the Indianapolis and Baltimore monetary conferences it appeared as "asset currency." At the annual meeting of the American Bankers' Association at New Orleans a year ago, Horace White and others spoke of "assets currency," and many writers on the subject, notably those whose productions appear in the New York "Evening Post," have employed that form ever since. They are wrong. It is a rule of the English language that a noun used to qualify another noun becomes for the moment an adjective. Adjectives are not declinable, as are nouns. No one speaks of a hats rack or a books case or a boots jack. There were a few years ago self-constituted language-reformers who sought to establish a usage in favor of "teeth-brush." They fancied themselves purists. They were not purists, but would-be innovators, and their effort did not succeed.

High authorities have advanced the opinion that every individual with a logical mind is likely to speak and write correctly as well as to think correctly, for grammar is, broadly, the logic of language. There may be significance in the fact that most of the people who say "assets currency" are in favor of that departure from safe finance.

Is it because they are deficient in logical acumen that the advocates of currency with nothing but an asset basis call it "assets currency?" Is it failure to reason from cause to effect which leads them to favor currency of that sort, and to endeavor to substitute it for the admirable system that has served the people of the United States for forty years without the loss of a dollar to any man?—*Milwaukee Evening Wisconsin.*

SOUND vs. SOFT MONEY.

SOFT MONEY MEANS "I. O. U." OR "ASSET CURRENCY."

[Address by A. J. FRAME, President of the Waukesha (Wis.) National Bank, delivered before the Annual Meeting of the Wisconsin Bankers' Association, at Milwaukee, August 6.]

I grieve to disagree with some of my good friends, yet I yield to no man in patriotism. When we sum up the years of agitation for asset currency and a sound solution of the elastic problem and find that the only product that has been seriously considered to date is the Fowler bill—to the fallacies of which I make specific reference hereafter—I conclude it is easier to criticise than provide a remedy for incurable diseases. The disease under discussion might be diagnosed as "hard up." A large majority of the human family have an annual attack of it, and many have it in chronic form. Issuing I. O. U's will rarely cure the malady, but liberal libations of conservatism wonderfully ameliorate severe attacks.

The battle of the standards, which has been fought in the United States for more than a quarter of a century, culminated successfully March 14, 1900, in the adoption of the world's standard, gold. Since then, instead of strengthening our foundation by unequivocal laws, making our vast quantity of inferior silver coin—which is ever decreasing in intrinsic value—redeemable in gold; instead of wiping out our greenbacks, thus removing another burden from the Government which is not tolerated by any progressive nation, the burden of song has been to undermine our present foundation by the injection of an additional quantity of inferior currency called asset currency, under conditions not paralleled in any progressive country, and which, as certain as the laws of gravitation, will drive our gold abroad under the Gresham Law, or produce still further inflation in prices, resulting in riotous speculative ventures and consequent deeper depression when the ebb tide in our prosperity sets in. Such a result is as inevitable as that history repeats itself. The Kaffir proverb that "he who will not profit by the experience of the past, gets knowledge when trouble overtakes him" has no terrors for the speculator. Under the impetus of rapid fortune acquired by some, in the swelling tide of prosperity, the get-rich-quick fever has intoxicated the many. Some men ordinarily conservative have wavered in their course and been drawn into the maelstrom of underwriting speculative combinations in the hope of excessive profits. The promoters have not been able to sell enough of their watered stock to the innocents to pay loans, so banks might meet the call of the country for cash to move the crops, and under this plea, together with the unsolved sound solution of the elastic problem, the common complaint of all ages for "more money" is heard abroad in the land, when over-speculation is primarily the cause of trouble. In fact, crops could not move faster, as transportation facilities are taxed to their utmost every fall. This is rather a grave charge, but let us diagnose the case and draw conclusions as to its merits.

Britain, after a campaign as long and as bitter as ours over the Gresham Law and the expulsion of her gold by the injection of too many bank notes into her circulation, unequivocally adopted the gold standard in 1816. The integrity of that standard as against the uncertainties of other national standards has been maintained with a fidelity that commands the confidence of the whole world to the extent that London has long been the world's clearing-house. Will New York soon win that center if we inject an additional quantity of inferior currency into our circulation?

QUANTITY VERSUS QUALITY.

Christ said, a wise man builded his house upon a rock, but the foolish man upon the sand. When the rain descended and the floods came, and the winds blew, the wise man's house fell not, but as to the foolish man's house, great was the fall thereof. Is not this a perfect simile to apply to the building up of the superstructure of our great credit system upon a sound metallic currency for a foundation as against the sands of a credit currency? The pages of history are strewn with proofs that when the great instrument of exchange is deranged, all trade, all industry is stricken as with a palsy. That instrument of exchange recognized by the world as the solid foundation that does not totter when the storm rages in its severest intensity, is the only foundation for a prosperous people to rest upon and to-day our coffers hold over a billion dollars of it. This is a biilon-dollar country and we need it. This gold has come to us since 1878 in the natural course of trade in response to the well-known principles of the Gresham Law and monetary science, as expounded by Dr. Adam Smith, Ricardo, Jevons, Sumner and many other eminent economists, and as also clearly set forth in what Prof. Sumner dubs the most important document in financial literature, "The Celebrated Bullion Report of 1810 to the House of Commons." I have quoted these maxims before, but deep-seated error requires repetition of them again and again. Summed up these principles are:

1. That rich countries will have all the coin they need, providing no impolitic act of legislation interferes to force it out of circulation by the injection of inferior currencies.

2. When the coin in any country exceeds the effectual demand, no vigilance of Government can prevent its exportation.

3. It is the province of Government to settle the quality question of money, and the needs of commerce will settle the quantity.

In proof of the above maxims, history says, Chinese walls, jails, shotguns or hanging did not prevent exportation of coin, and in these modern days the object lesson of the exportation of more than twenty-five millions of gold in the past three months in the face of the plea of the asset currency advocates for more money in the United States, is more potent than pages of logic. Let us fix the quality question and stop tinkering with the quantity, as the needs of commerce will settle that.

From the latest reports of approximate stocks of money in the world, I will quote a few:

(*In Millions.*)

	Pop. mils.	*Gold.*	*Silver.*	*Uncovered Paper.*	*Total.*	*Total per cap. cir.*
United States............	80	1250	670	580	2500	$30.00
Great Britain............	42	528	117	117	762	18.29
France................	39	903	420	134	1457	37.38
Germany..................	57	763	207	153	1123	19.92
Russia................. ...	130	715	103	...	828	6.25
Canada...................	5½	20	5 say	50	75	13.63

In 1873 the United States had $18 per capita circulation, or a total of 750 millions of dollars, and practically all in promises to pay, California and vicinity refusing to adopt soft money. To-day, after our battle for sound money, according to above tables, we have about $30 per capita, or 1250 millions of dollars of gold and practically the same amount of inferior money, our vast hoard of silver being nearly two-thirds fiat. If an additional quantity is needed, let gold flow in under natural economic laws, the same as the 1250 millions have already done, $62,000,000 in 1902 being added to our stock. Let us not inject inferior asset currency on top of our present excessive soft money stock and drive gold out, thus undermining our household.

The unprecedented production of gold for the past few years has paved the way for supplying all the gold this rich country needs to fill the channels of trade. The increase to nearly 400 million dollars in gold certificates in the past three years, to save abrasion and perfectly serve our wants in every way, is in line with the trend of all Europe as expressed by Prof. Edmund Théry in "*L'Economiste Europeen*" in 1898. He said the gold in European banks increased in fourteen years—1883 to 1897—from 700 million dollars to 1700 million dollars, and that "In all sound money countries the bank note is in course of becoming a simple gold certificate redeemable on demand."

No Precedent for the Issue of Asset Currency by Numerous Small Banks.

I assert without fear of intelligent contradiction that the new Fowler bill for asset currency to be issued by thousands of banks, large and small, has no parallel in any progressive country; that it is a discarded, unsuccessful experiment of the past; that it is unsound and gives preferences to picayune creditors as against the larger creditors, the millions of depositors, thus producing distrust, and distrust breeds panic. It also lowers our standard. Let us particularize a little.

Canada.

Canada has thirty-five large banks with about seventy millions of dollars of capital (which has grown very little in twenty-five years) and about forty millions of surplus. They have many branches. They issue currency based on a five per cent. deposit and a first lien on assets. The right to issue notes is limited to banks with not less than $500,000 subscribed capital. Banks pay out only their own notes, sending others home for redemption. What is the result? Canada has three and one-half million square miles of territory, or about that of the United States including Alaska, and much of it very productive; her population is a measly five and one-half millions; her total banking power is not equal to that of little Massachusetts with only 8,315 square miles of territory; neither is it equal to that of Illinois, Pennsylvania or New York.

We hear the cry for "more money" in the United States. By the foregoing table we have $30 per head—one-half gold. Canada averaged in 1902 about $13.63 per head and of that only $3.64 per head is gold. Would inferior asset currency furnish our live country with its vast foreign trade an ample quantity of international money or drive out gold under the Gresham Law? If the banking system of Canada has anything to do with her lack of progress, then let us stand by our system under which our progress seems to know no bounds. Comparison with unprogressive Canada is simply ridiculous.

Great Britain.

The Bank of England issues £18,175,000 of notes on a deposit of the same amount of Government securities. It has thirty to forty million pounds sterling in notes outstanding constantly in addition, but every note has it value in gold behind it. The large banks of England, Scotland and Ireland in 1844 and 1845 were limited to the amount of their then outstanding uncovered notes, and seventy per cent. of the right to issue of any of these banks going out of business since that date has reverted to the Bank of England. Since 1845 this has reduced the maximum uncovered issues £6,000,000 and added £4,175,000 to the Bank of England issues. Of late the whole amount of asset currency issued by all the big issuing banks of England, Scotland and Ireland has been approximately by the insignificant sum of five million pounds sterling, or about two-thirds of the maximum allowed, and all the rest of their circulation has Government securities of gold behind it. What is the secret? Inability to pay out any notes but their own and unlimited liability of every bank stockholder for every note in circulation. How much circulation would our banks issue if under such restrictions, including an unlimited liability clause on issues? The clear intent of Britain is to entirely eliminate bank note-currency from her circulation excepting only that of the Bank of England. Mr. Fowler, at New Orleans and before a committee in Congress, stated that Scotland could issue $148,000,000 asset currency. When? In 1845 the uncovered circulation maximum allowed by law was £3,087,209 and in 1898 it was £2,676,350—according to the Monetary Commission Report—(see page 281)—and Sound Currency Red Book (page 187).

France.

Since 1848 the Bank of France has had the sole right of issue in France. Although able men have claimed this issue as asset currency, I cannot understand the force of their reasoning in the face of facts. Mr. Fowler in his zeal for asset currency states that the Bank of France can issue $1,000,000,000 of notes, but he fails to state that the Bank of France of late years has had approximately $700,000,000, of circulating notes outstanding, and has kept about ninety per cent. of its outstanding notes in coin in its vaults. That great reserve of coin naturally inspires confidence. The balance of ten per cent. asset currency even is practically covered by loans to the Government, so the bank could pay every dollar of its notes by selling its Government paper without calling a dollar of its loans. The Bank of France is more a bank of issue than a bank of deposit, as its issues have averaged five times its deposits for many years.

Germany.

The Imperial or Reichsbank of Germany is allowed a maximum issue of uncovered notes to the amount of about 120 million dollars. Five per cent. interest is charged on issues in excess of this for emergencies. For ten years past it has had a metallic reserve of say eighty per cent. on an average circulation of about 300 million dollars. The many other issuing banks are now reduced to only five large banks that are allowed to issue asset circulation to the extent of the comparatively insignificant sum of eighteen million dollars, any excess being covered by Treasury notes (which notes are fully covered by gold in the Government war chest), notes of other banks or coin. L. Carroll Root says, "The National or (Imperial) Bank is the center of the system, with the evident intent on the part of the Government ultimately to transfer to it the sole right of issue." Now note. The issues of the uncovered notes allowed a few years ago in order to nurse along the speculative adventurers resulted disastrously and Germany has been in a depressed financial condition ever since. If only the five per cent. emergency currency had been issued, the speculative fever would probably have been checked before serious trouble ensued.

The following countries have only one bank of issue, to-wit:

	Capital.	*Reserve Required on Note Issues.*
The Bank of Austria........	45 mil. dols..	40 per cent. coin and 60 per cent. quick assets.
Bank of Belgium............	10 " " ..	33⅓ per cent. coin on notes and deposits.
Bank of Netherlands.......	64-10 " " ..	33⅓ " " " " "
Bank of Norway............	3-⅛ " " ..	50 " " as to notes in coin.
National Bank of Denmark.	7-¼ " " ..	37½ " " " " " " and 150 per cent. assets besides.
Imperial Bank of Russia...	20 " " ..	Over 100 per cent.

There are three large banks in Italy and three in Greece.

Sweden has a large State bank and some private banks that issue currency based on a deposit of mortgages, etc., in public custody.

Is it not clear from the foregoing that the great centralized institutions of European nations are assuming the issuing functions of the currency, with a metallic foundation as heretofore referred to in Prof. Théry's article?

Ox-team Versus Twentieth Century Progress.

What about former New England banking, the Suffolk system, the banks of Indiana and Louisiana, and several others so often quoted by asset currency advocates? Simply this. On pages 302–3 and 4 of the Report of the Monetary Commission, under the head of New England Bank Currency, we find that "in some States an unlimited liability for both notes and deposits was enforced upon the officers in case of mismanagement. In some instances the stockholders were liable to the amount of their stock for the ultimate payment of the notes, and in Rhode Island they were subject to unlimited liability."

Under the Suffolk system each country bank kept $2,000 on deposit in Boston without interest. Banks were compelled to pay out only their own notes, and send all others to Boston for redemption. This compulsory redemption, lack of confidence in paper money generally and scarcity of gold in those days, brought about the redemption of bank notes in that system ten times over every year, thus entailing exasperating annoyances, constant assorting and expense for express, etc., and history says: "Country banks were loud in denunciation of the system, and there was always friction between the city and country banks." With all the rigid regulations the loss to holders of notes in failed banks in that small system was $877,827. As no man has ever lost a dollar in the past forty years, nor sleep either under our vast national system, distrust is entirely eliminated, therefore no one troubles himself about redemption.

In the Sound Currency Red Book, in an article by Horace White, a strong advocate of asset currency, pages 207 to 210, we find under the head of

State Bank of Indiana.

"On all applications for loans above $500, a majority vote of five-sevenths of the board was necessary, and this must be entered on the minutes with the names of the directors so voting. Directors were individually liable for losses resulting from infraction of the law, unless they had voted against the same and caused their votes to be entered on the minutes, and had notified the Governor of the State of such infraction forthwith, and had published their dissent in the nearest newspaper. Any absent director to be deemed to have concurred in the action of the board, unless he should make his dissent known in like manner within six months." One-half of the stock belonged to the State. The bank's principal business was loaning its own notes, its deposits being but a small fraction of its capital.

We also find under the head of

Louisiana Bank Act of 1842.

1st. A specie reserve equal to one-third of all its (the bank's) liabilities to the public.

2nd. The other two thirds of its liabilities to be represented by commercial paper having not more than ninety days to run.

3rd. No bank to pay out any notes but its own.

4th. All commercial paper to be paid at maturity, and if not paid, or if an extension were asked for, the account of the party to be closed and his name sent to the other banks as a delinquent.

It would take a powerful glass to spy out a gallery of bankers that would stand such ridiculous rules as those.

References warmly advocating the Indiana and Louisiana systems by Horace White and Congressman Fowler were made at New Orleans before the American Bankers' convention.

If we were to adopt the Louisiana act of 1842, compelling the keeping on hand of 33⅓ per cent. in specie of all liabilities to the public, the National banks would hold to-day more than $1,600,000,000 specie; whereas, they hold say eight per cent. or about $400,000,000 specie.

The rigid Louisiana act would require an additional $1,200,000,000 of coin reserve. Under the Louisiana and Indiana experiences, which are almost parallel as to reserves, we would be compelled to keep four times as much specie reserve as we do now. Where would the coin come from, and who would retain their National bank charter under such rigid rules and many others not enumerated? Progress would simply be throttled.

Again, under the Indiana experience the banks were limited in their aggregate loans to two and one half times their capital. The aggregate of loans, including other securities in National banks to-day, is over five and one-half times their capital.

Although distrust, insufficient coin and general wildcat banking drove home for redemption the asset currency issued in these isolated cases, no loss occurred, because of over-rigid regulations, excessive reserves and limitations of development. Those were the days of the ox-team and not paralleled by twentieth-century conditions.

Elasticity.

To obtain any elasticity whatever at least one of three conditions is necessary:

1st. Distrust in the mind of the holder of a note, thus hastening redemption.

2nd. A compulsory law to drive it home.

3rd. A graded tax sufficiently high to make it unprofitable except under stress.

The first head needs no argument. Greenbacks are not elastic, although redeemable in gold, because the element of distrust is wanting. The second head by paying out only their own notes operates in Canada in sending all currency home twelve times a year, and in Scotland all notes are redeemed twenty times over in a year. Like conditions in the United States, with our thousands of banks and vast extent of territory, if the quantity of such currency as suggested by Mr. Fowler was issued, the cost in labor, time in transit both ways, expressage, etc., would entail an expense to the banks of millions of dollars annually.

The Fowler Bill.

The new "asset currency" Fowler bill contains these sections

Sec. 10. "That for the purposes of this act New York, Chicago and San Francisco shall be redemption cities, and all of the National banks redeeming their notes at any one of these cities shall constitute a redemption district, and the New York redemption district shall be known as number one, the Chicago redemption district as number two, and the San Francisco redemption district as number three.

Sec. 11. That if any National bank shall receive such circulating notes of any other National bank located outside of its own district, it shall not pay them out over its own counter, but shall forward them either to some bank in the district to which the notes belong, or to some bank located in the redemption city of its own district and then they shall be returned to the bank issuing them or to some bank in the district to which the bank issuing them belongs."

Now note: What a lovely occupation the tellers will have assorting out notes of banks "outside of its own district" especially if they are like present issues—packing them and expressing to "some bank in the district to which the notes belong" or "to the redemption city of its own district," and then they shall be returned (by express again) to the issuing bank or—I will add—to the nearest and cheapest spot where they can be got rid of, then *vice versa* to reimburse banks for cash reserves. Would not this process, with its localized currency, petty and expensive annoyances, pettifogging at redemption, fail in its object, to wit: direct compulsory redemption? Would it not be clearly an act of credit currency inflation? A stretched rubber with the elasticity gone?

The element of distrust doubtless would be small, because of the guarantee fund and first lien on assets, but that same element in times of financial trouble would be deep-seated with the great army of depositors, because of that first lien. The depositor has just as much right to know he has equal rights in assets, as that a banker will rest more sweetly if he knows his borrowing customer has given no first lien to another on his assets.

Depositors Lose.

If we prefer the note holder by a first lien to the depositor who takes the dregs, this will be the result. Under the present law for every $100,000 of circulation issued $100,000 of bonds are deposited to secure it. These bonds cannot be spouted for any other purpose, and in case of a bank failure the $100,000 circulation is fully cared for and the premium on the bonds is left for the depositor, together with all other assets. Under the asset currency scheme, in case of failure of a bank, the $100,000, which ought to be in Government bonds to care for the circulation, is loaned on commercial paper. The 1902 report of the Comptroller of the Currency—pages 386–7—shows for banks that have failed in the past forty years this result:

Nominal assets at date of suspension	$149,554,311
Collected from assets	77,529,651
Leaving losses of	$72,024,760

Or about forty-eight per cent. of assets. Is it not clear that for every $100,000 of commercial loans instead of in bonds the depositor will receive $48,000 less in dividends than under the bond-secured plan ?

Again, If a bank extends its loans to the limit of its assets, then swaps its I. O. U's. without interest for its customer's note at five per cent. to six per cent., thus carrying out the asset currency advocate's ideas, does not that act smell loudly of kiting ?

The third point is the only one that ought to be considered seriously. Under ordinary conditions the fluctuation in the interest rate should be the barometer which ought to check undue expansion and inspire conservatism. Under fear of occasional extraordinary disturbed conditions, if cash could be provided on sound principles to loan to all solvent parties, serious losses would doubtless be prevented ; but such cash should at once by a heavy tax be forced to return to its reservoir as soon as its work was accomplished, so that no act of inflation would result. Its operation should be like a water reservoir, always ready to put out an incipient fire and at once refill again. In the panic of 1873 about $33,000,000 of clearing-house certificates were issued, and in 1893 but $66,000,000. Last fall the New York Clearing-House bank reserves were short $23,000,000. Mr. Gage stated that that shortage compelled $92,000,000 in liquidation of loans and deposits, the reserve being one-quarter of the deposits. If $23,000,000 to $66,000,000 will put out a severe fire, why do we need $175,000,000 as provided by the Fowler bill as the entering wedge and more than $500,000,000 later as the intoxication grows under the stimulus of soft money, as indicated by Mr. Fowler in his address at St. Paul on August 7, last ? Let us not forget though that under the Fowler bill forced redemption is a farce ; therefore the reservoir will likely be empty when the fire grows warm. The proposition to issue asset currency to the extent of 100 per cent of National bank capital, I consider positively dangerous.

Plan for Clearing House Emergency Circulation.

Right here permit a suggestion. It may not be a perfect plan in accomplishing the end sought, but no proposition yet offered is perfect.

First. A bill somewhat on the lines of the Aldrich measure ought to be put upon the statute books to prevent locking up unnecessary funds in the United States Treasury.

Second. Legalize clearing-houses as banks of issue on same form as National bank currency, secured by clearing-house certificates issued on same plan as heretofore, to any bank in clearing-house to whom the clearing-house committee sees fit to grant it. Five per cent. interest to be charged from date of issue to date of deposit by the borrowing bank, of funds with United States Treasurer to redeem its borrowings, when the clearing-house certificates will be cancelled and securities returned.

This will permit not only National, but State, private or any other clearing-house bank to get advances in times of financial stress. Country banks can get advances through their correspondents, thus serving all the banks of the country.

The conservatism of the clearing house committee will prevent unnecessary issues, the rate of interest will prevent inflation, and redemption will automatically take place as soon as pressure for funds is over.

Increasing the Gold Reserve.

It is a significant fact that the Chicago Clearing-House has never issued any clearing-house certificates. An examination of records shows materially larger reserves of cash on hand and due from banks, as against New York reserves for many years past, thus clearly revealing the cause. If New York will avoid trouble, let her keep adequate reserves and reduce her paying interest rate on balances when money is easy. As old-world metropolitan cities are internal, New York must look to her laurels or Chicago, located practically in the center of the garden of America, will capture the prize.

I challenge any man to prove that since 1893 there have been more than two fall seasons when the money market has been above a normal or reasonable level, and then speculation and not crop movements was the primary causes of trouble. I will specify these causes later. The slight raise in rates was generally appreciated after the very low rates for most of the year.

Do we need more fiat money in the United States? Look at the table of approximate stocks of money as noted heretofore—

	Silver coin.	*Uncovered paper.*
The United States has	$670,000,000	$580,000,000
Great Britain has	117,000,000	117,000,000
France has	420,000,000	134,000,000
Germany has	207,000,000	153,000,000
Russia has	108,000,000	None.
Canada has	5,000,000	50,000,000

Nearly all silver is subsidiary except that of France and the United States. Does any one think from the foregoing immense issues aggregating $1,250,000,000 that we need more soft money injected into our circulation? Never in the history of our country was our credit system so expanded as it is to day. We do not need additional I. O. U. or asset currency, which only adds fuel to the fire of speculative frenzy. What we need, if anything, is less inferior money and more gold for a foundation that will stand through storm as well as sunshine. Under natural economic laws over $550,000,000 of gold has come to us in the past five or six years. More will not undermine, but strengthen the foundation. It will only come to us, if we need it, by keeping out cheaper money, and especially credit currency which is not as good as what we now have. We have ample assets with which to buy more gold in the world's markets if the natural needs of commerce demand it, and we only need some provision for extraordinary emergencies, as noted under the third clause. In the emergency of the Baring's failure in Great Britain in 1890, the Bank of England borrowed from the Bank of France £3,000,000 and from other outside sources £2,000,000 more. If we keep our credit unstained and unstrained, the world will lend to us in need, as we have plenty of collateral.

INTEREST RATES.

A late writer in a New York magazine advocated asset currency in the United States to lower and hold steady interest rates, in order that New York might wrest from London the title of the world's financial center. What logic! Great Britain has the most rigid and least elastic of all currency systems in the world, but she has a metallic foundation that the world never questions. Her surplus capital is invested the world over and is subject to her beck at all times. These are clearly the reasons why rates of interest are more steady, and her prestige would doubtless wane under credit currency expansion such as we are now discussing.

Our friend Fowler also advocates asset currency to lower the rate of interest in the United States. Rates of interest with us now are about one-half those of thirty to forty years ago, and every decade sees a decline in rates. After carefully reading the best authorities on political economy I conclude the cause is accumulated surplus capital and not running the printing-press increasing outstanding I. O. U's. Mr. Fowler also says present rates of interest for the benefit of five million borrowers ought to be cut in two, but how about the benefits to the fifteen million depositors, the eighteen million holders of insurance policies and millions of other savings of the people generally? The greatest good to the greatest number clearly does not require ruinously low rates of interest. I challenge any man to show me a country where a very low interest rate prevails that can compare with ours in general prosperity.

OVER SPECULATION THE REAL CAUSE OF TROUBLE.

Then what is the primary cause of trouble?

My answer is over-speculation. Let me quote and see what the consensus of opinion is.

[Mr. Frame quoted from a number of financial newspapers and magazines in support of this view.]

Does not this compilation of opinions, made more than six months ago, seem in the light of later events prophetic?

It seems needless to quote further than to say that the notable address of Frank A. Vanderlip in October last at Wilmington, N. C., ought to ring the death-knell of any methods to bring about further inflation with its resultant high prices, increased imports, decreased exports, thus bringing about much sooner a reaction in our progress, which is as certain as that history repeats itself. If any one is seeking truth and will see the hand-writing on the wall, he is commended to carefully read the standard authorities on political economy for parallel conditions, and the fogs of the common error as to the cause of trouble would be illumined by a clearer light. In view of all these facts, is our trouble lack of money or is it over-speculation?

Doubtless some are clamoring for asset currency because they think there is profit in it, but as sure as there is material profit in its issue and it is not confined to great centralized institutions which are more likely to be prudent in issuing it, there being no monopoly in banking, the multiplication of banks would soon destroy such profits. I assert that a National bank has no more right to issue currency when its credit is strained and force it on an unwilling public without interest or penalty, than have State banks, or a merchant or manufacturer under like conditions. It never should be done except in emergencies. In any case collateral should be put up as security, and a tax imposed high enough to drive it out of use as soon as its work is done. The interest rate is the check valve to prevent undue expansion and inspire conservatism, not only in banking, but in all commercial pursuits. I assert with confidence that no parallel case is extant to-day that compares with our subject under discussion. Large centralized institutions only have the right anywhere of issuing a limited amount of asset currency. Germany is financially depressed to-day because of the abuse of the license accorded her great centralized bank, as heretofore noted.

Canada, which is harped about so much, is one of the most unprogressive countries.

The early ox-team days when bullocks, wampum, beads, skins, etc., were legal tender; when collateral and gold were scarce, have given away to abundance of gold, plenty of collateral, abundant prosperity and a confidence that has built a colossal superstructure of credit unknown in ancient or modern times. Shall we build a metallic foundation on which this structure shall stand, broad, strong and enduring, or shall we undermine the house we have built by piling credit on credit and misname it reform? Oh reform! reform! What crimes are committed in thy name. Blow up the balloon to the limit, and then give it another puff; give the rubber another stretch after it has been drawn almost to the point of breaking; take another drink when the intoxicated patient is over loaded. No! No! Let us pour oil on the troubled waters, put the brakes on the over worked engine, put more ballast in the hold, instead of adding to the sails.

This country is to be congratulated that in the year 1902 no asset currency was allowed, thus causing a check to the wild and reckless pace of the promoters assisted by some overgreedy bankers. Another safety-valve was the wonderful prosperity of the country as a whole, even if we did not have asset currency. If banks could have issued asset currency, thus still further inflating conditions under the get rich-quick fever, I fear results would have been somewhat like Germany's 1900 experience. Foreign banks realized our condition and put the brakes on by raising the rates on money so high that further expansion was checked. The interest rate should be the corrective for all troubles except occasional emergencies which might call for more heroic treatment. The world is open to us to borrow in case of need and with quick transportation and plenty of good collateral, with slight fluctuations in interest rates, legitimate interests will rarely suffer. An occasional panic is inevitable in all progressive countries. It has its day like the measles and the grip. Political economists of all ages have wrestled with the knotty elastic problem in the hope of evading panics, but failed. In these latter days the woods are full of popular elastic nostrums to cure a case of short cash to move the crops, when the true diagnosis proves that the common principles of prudence have been violated, and over speculation and excessive promotions have run riot. The shock of last fall has probably sobered up the more conservative, therefore as the unexpected usually happens, the forewarning will probably prevent a repetition of the trouble.

It is to be hoped that the bargain counter which has been laden with rich pickings for conservative buyers with cash, in the past few months, has been nearly cleared; that the undigested securities will be dumped into the sewer, and progress along conservative lines once more be resumed with Anglo-Saxon energy.

A weighty responsibility rests upon our American Bankers' commission, and more with our statesmen if this question of asset, elastic or emergency currency is to be settled on sound and enduring lines. Our patriotism for country ought to rise higher than to settle this momentous question with a view of larger profits to the banks. If New York is to become the world's financial center, the quicksands of asset currency, added to our present over-supply of soft money, will retard the day on account of loss of confidence in our standard, and only a gold foundation of international money will hasten it. If this country will continue its wonderful onward progress, it will not advance on exploded academic theories or populistic nostrums, but on sound and conservative lines. I firmly believe from a careful survey of the world's history on banking, that asset currency as a cure-all for economic troubles is a fraud, a delusion and a snare. The remedy is worse than the disease.

BANK NOTES NOT MONEY, BUT PROMISES TO PAY.

[From an address by August Blum, Assistant Cashier of the First National Bank, Chicago, delivered before the Illinois Bankers' Association.]

I have come to the conclusion that one of the great difficulties encountered in the discussion of this bank note question, is the state of mind, the psychological state, if you will permit me the expression, in which most of us view it. Philosophers have taught us that our ideas are the result of our experiences. Those who have read the work of Locke on "Human Understanding" know what I mean. Experience and a long series of impressions create in us a certain consciousness to which we cling more tenaciously than to the result of pure reasoning. We look upon a thing, as the saying goes, in a certain light and consider that as the conclusion of the whole matter.

Now, with regard to this bank credit currency. Few of us have had a living experience of the practical working of a sound system of bank currency. Our older colleagues have seen and we have frequently been told of the distrastrous results of a bad currency system ; hence every proposition of this nature is looked upon with alarm as tending to re establish the stump tail, wildcat currency of ante-bellum days.

Then again we have unfortunately learned by the habit of forty years to look upon a promise to pay as an actual and permanent addition to our supply of money. If we would sweep that cobweb out of our brain, if we would learn to look upon a bank note with the full force of our intellect, not as money which we put away in our vault and call "cash on hand," but simply as the note of a bank which is issued as the means of exchange, the same as a check, and is forwarded to its place of redemption as soon as it reaches our counting-house, then a vast advantage would be gained. The ground of discussion would be shifted at once. You see, it is all in the attitude of mind. Those among us who have seen the system at work in other countries and particularly among our Northern neighbors, have no difficulty in seeing it in its proper light. I am thinking of one gentleman among us, honored by all of us, whose banking career dates back to the days when the system of redemption by the Suffolk Bank made the unsecured bank currency of New England equal to the best of the world. He is one of the most intelligent and ardent advocates of such a system to-day.

As I said before, I am not on this platform to break a lance for bank credit currency. If there are objections to it, let us candidly consider them ; if there are difficulties in the way of establishing it, let us see if they can be overcome. What I plead for is that we place ourselves in a receptive and unbiased frame of mind with regard to this question. Like all other momentous questions in which the human race has been concerned, it can only be solved by full and unbiased discussion. If we cannot be convinced that the creation of a bank credit currency is a safe and beneficial measure, let us reject it; if in the face of all preconceived aversion we are made to see that it is the only remedy to cure the ills under which our financial system suffers, the only means to avert threatening dangers, then its adoption will indeed be irresistible. Newspaper opposition, vehement in some quarters to-day, will as surely change its front as it changed it in notable instances on the question of the gold standard. Let us trust to the merits of the cause; let us meet the question, above all, with an open mind. Let us be actuated by one motive only, and that is to help place the financial condition of our country upon a sound, lasting and scientific basis. That is the burden of my short and informal talk.

TRUST COMPANIES AND BANKS.

Editor Bankers' Magazine:

SIR: It seems to me that a very one-sided view of trust companies is expressed by Mr. Bryan in your esteemed magazine for August.

In the early part of his article there is a serious reflection as to chances taken by trust companies, and as to examinations. A point often overlooked in examinations of financial institutions is that the trust company must show up dollar for dollar in value everything under the head of "resources," whether in the shape of real estate, loans, securities, etc. A bank, on the other hand, passes to the examiner thousands or millions of dollars' worth of paper, of the value of which he is often unable to form any idea. I have in mind a bank with about four million dollars of assets, which presents to the examiner nearly two millions of paper. He would have to be omniscient to know anything concerning its value. He would have to know thousands of signatures and hundreds of people in the town even to determine as to whether it were genuine.

Then again, on the failure of every mill or large business interest, you hear of the bank having lost money through this paper. This, of course, is not so with the trust companies, and I think this point of greater security is a very large factor in the transfer of accounts from banks to trust companies.

We can only judge of the future by the past (although all good Americans seem unwilling to do so in things financial), and when my banking friend says "it is believed by many conservative bankers, should we experience another financial panic, some of the trust companies would be unable to weather the storm," we can only look back at the great storm of '93 and see the trust companies emerge in fully as good shape as banks and more popular than ever, as their growth shows.

Philadelphia (the birthplace of the "modern bank") is known as a city of conservative and careful people, and their approval of trust companies is evinced since that time in trust companies adding ten to their number and banks shrinking about the same number.

This approval is further marked in eighty millions of capital and surplus of trust companies against forty-eight millions for the banks, and deposits of $264,000,000 to-day against $237,000,000 in banks. Of this latter amount $29,000,000 is due trust companies. (These figures include four saving funds as State institutions.)

My idea is that the opinion should obtain that there is room for both banks and trust companies and that we should "live and let live." Certainly, in so far as both are well and conservatively managed, both fill a public want and both should live, and when that time of "financial storm comes (which is bound to come, but which we don't want the "calamity-howler" to hurry along) let both stand shoulder to shoulder and aid one another and not be pleased with the idea that our neighbor will not "weather the storm."

No one, of course, is so foolish as to think the trust company can fill the place of the bank in supplying those "sinews of war" in the form of discounts which the business men must have.

The writer feels that he can see just as far into a millstone as his neighbor, but he doubts if the trust company has as yet attained its proportionate growth, and he personally feels there are three great advantages to himself—two per cent. on his daily balance, greater privileges as to charter, and less chance of covering defalcation in time of examination.

Any one of these should attract business to the "modern bank."

WM. T. MURPHY,

Secretary and Treasurer Germantown Trust Company.

PHILADELPHIA, August 13.

PLENTY OF ROOM FOR BOTH CLASSES OF INSTITUTIONS.

Editor Bankers' Magazine:

SIR: Much has been said in regard to the way in which the trust company encroaches on the business of banks. It would seem to me that there is room for both the trust company and the bank. The trust company should keep the same amount of cash reserve that the banks not acting as reserve agents keep. It might work well if the trust company were to separate its trust funds from its other deposits and not be obliged to keep a reserve on that part of its deposits.

I think that in a large city the trust company is a good thing, and I see from reports in THE BANKERS' MAGAZINE that quite a number of the smaller places are being supplied with them. I believe the majority of the trust companies do not try to get active business accounts but confine themselves to savings accounts and trust funds. It seems to me that if any banks have reason to complain it is the Savings banks and not the banks of discount.

I think banks of discount should not do a Savings bank business, although I presume a large majority do, and in some cases it probably is very profitable. But I do not like to see banks running on each other in the way of offering higher rates of interest for deposits. It would be beneficial if they could all come to some agreement about the rate of interest for deposits—make it a fair rate; I think in New York State three per cent. is enough to pay any one, keeping their money safe for them and paying it to them on demand.

There is only so much money in the country anyway and one bank has about the same chances as another for loaning or investing safely. I know the National bank with which I am connected is holding deposits year in and year out at three per cent. that banks and trust companies in cities not more than thirty miles away can not get by offering four per cent., simply because we have the confidence of these people. Not that these banks of which I am speaking have not the confidence of the people, for I believe they have. If banks would try as hard to get the confidence and good will of the people as they do to get their deposits, they would get the latter a good deal cheaper than they do.

If a State or National bank wishes to carry on a savings account department it is a very easy matter to arrange a way of keeping the accounts in a ledger by themselves. I should keep all active accounts in a Boston or daily balance ledger. It would not be necessary to have stated times for figuring the interest on savings deposits. Unless the amount was small and the customer was making deposits frequently, give a certificate of deposit drawing interest if left six months, putting in the clause "Interest to cease after one year unless renewed," so as not to get behind in the payment of interest. If people wish to make small deposits, weekly, give them a pass book not drawing interest, and when they get fifty or a hundred dollars take it out of their book account and give them an interest-bearing certificate. We have tried this with small depositors and it seems to work very well.

If banks oppose the trust company to such an extent, why is it that so many bank officers and directors are connected with trust companies?

GEORGE F. BIGELOW,
Assistant Cashier First National Bank.

BATAVIA, N. Y.

THE BANKERS' MAGAZINE will be pleased to receive and publish other views in regard to trust companies and banks, dealing with the matter either from the banker's standpoint or from that of the trust company officer.

STATE BANKERS' ASSOCIATIONS.

WASHINGTON STATE BANKERS' ASSOCIATION.

The eighth annual convention of the Washington State Bankers' Association was held at Whatcom-Fairhaven, July 23, 24 and 25. After prayer by Rev. Cheatham, of Whatcom, Mayor Bennett delivered the address of welcome. A. F. Albertson, Vice-President of the National Bank of Commerce, Tacoma, responded on behalf of the bankers. President Miles C. Moore, President of the Baker-Boyer National Bank, Walla Walla, then delivered his annual address. He reviewed the existing business conditions and referred to the various proposals for currency and banking legislation, pointing out that the great diversity of opinion made it exceedingly difficult for Congress to act. Governor Moore expressed the view that the ill effects of commercial and financial crises could be greatly mitigated by co-operation among banks, provided sound methods have generally prevailed.

Referring to the banking interests of the State of Washington, Governor Moore said:

"The banks of Washington show a healthy increase, both in numbers and in the volume of business transacted. The latest available statistics show that on January 1, 1903, 148 banks were doing business in the State, as against 124 January 1, 1902. Of the former there were on January 1, 1903:

	No. of banks.	*Capital and surplus.*	*Deposits.*
National banks	34	$5,744,290	$34,528,910
State banks	6	2,833,790	17,051,100
Private banks	41	850,200	3,234,670
Total	143	$9,428,380	$54,814,680

In addition to the above, there are four branches of foreign banks, their capital stock and deposits not included in above.

On January 1, 1902, the 124 banks had deposits of $39,716,400. The capital stock and surplus was $7,792,420, an increase of twenty-one per cent. in capital stock and surplus, and thirty-eight per cent. in deposits. This, you will agree, is a gratifying showing.

The Washington banker, as far as my observation extends, compares favorably with his brethren in other States. He is wide awake and progressive, quick to seize the opportunity and profit by it. He is expanding with the expanding republic, and you can trace his financial connections to the islands of the Pacific, to the cities of the Orient, and he has even invaded the Arctic circle. He is trying to play his part in the world's progress, and to assist in America's conquest of the world's trade."

P. C. Kauffman, second Vice-President of the Fidelity Trust Company, Tacoma, submitted his report as secretary of the association. The number of members at last year's convention was 101, while at this year's convention the membership was 133.

Treasurer W. D. Vincent, Cashier of the Old National Bank, Spokane, was not present, and his report was read by Secretary Kauffman. C. J. Lord, President of the Capital National Bank, Olympia, made a brief report as chairman of the executive council.

G. B. Burke, Cashier for Messrs. Henry, Andrews & Co., Fairhaven, made an address on "Where You're At—Fact and Prophecy." He said in part:

"By way of beginning, where are you at? You are in the 'northwestest' county in the United States, which has a population of about 36,000 people, more than half of whom probably reside in Whatcom and Fairhaven. You are where the first Western coal mine was supplying the Pacific Coast with coal more than a dozen years before there was such a place as Tacoma below the snow line. You are in Whatcom county, the banner shingle county and the banner fish county in the State of Washington, almost can we say in the world; where the run of salmon and the run of logs and the run of shingle bolts build up deposits that would make a run on the bank look like a joke.

The 116 shingle mills of Whatcom county can cut enough shingles in a year to make a solid shingle belt around the world twenty feet wide, and then have a few left over to accommodate every schoolroom in the United States—and that's a fact.

Why, if you reduce a single day's cut of those mills to one solid shingle sixteen inches wide, it would keep a man busy more than a thirty-one-day month, going at the interesting pace of thirty miles a day, to walk from one end of it to the other: and he'd find that shingle no joke—it's a fact.

It would be a nice job for a Cashier to count a day's output. If he counted 300 a minute and could stand that rate for ten hours a day, it would keep him out of the banking business only a little more than 111 days—that's all, and that's a fact.

The gross earning capacity of these mills for 300 working days is not a cent less than $5,000,000; and if we have a population of 36,000, that means $138.8? for each man, woman and child in the county.

In 1901 the twelve salmon canneries of Whatcom county employed 5,481 persons, of whom 1,500 were Japs and Chinamen. The wages paid aggregated $989,000, the pack was 935,000 cases, or 44,880,000 cans, and the gross earnings $4,000,000. Whatcom county packs about seventy-five per cent. of the total pack of Puget Sound, and employs forty steamboats, twenty-five pile drivers and 500 scows and dories in its trap fisheries alone. The largest cannery in the world is in Fairhaven. It employs 1,000 persons when in full operation and can pack $35,000 worth of salmon in one day.

The next address was by Geo. B. Brooke, President of the Fidelity National Bank, Spokane, on "The Theory and Practice of Banking."

Benjamin C. Wright, Editor of "Finance and Trade," San Francisco, delivered an address on "Bankers as Conservators of Credit." Mr. Wright's address is given below:

Bankers as Conservators of Credit.—By Benjamin C. Wright.

In selecting the above phrase as the title of the little talk to be made on this occasion, I have, of course, only the ideal banker in mind. All bankers may not come up to this standard. It would be a matter both of surprise and congratulation if they did. An ideal is supposed to be framed on perfect lines. Perfection in human affairs has not yet been realized. Yet whoever adopts a lower standard is not worthy of imitation. It is only by persistent efforts to accomplish high aims that the world's progress has reached its present state of development. The results attained are sufficiently encouraging to spur one on in the pursuit for higher, better and nobler things in every walk in life. If what may be said on this occasion shall serve to strengthen an impulse to reach a level not hitherto attained along any commendable avenue, the reward will more than compensate for the effort here and now made.

The banking business is a trust proposition from start to finish. The men who form the corporation go forward with their work on the supposition that they have the confidence of the community in which the enterprise is to be launched. They rely upon the co-operation of their fellow citizens to the extent of taking some portion of the stock which they propose to issue. As soon as the doors are opened for business they expect the esteem in which they are held will induce money deposits to flow into the vaults. All these conditions may be complied with, and yet the town or city may not have a bank. The active side is when people come in to borrow some of the money which has been lodged for that purpose. It is at this point that the credit conditions reach their climax. Not a dollar can get out of the bank in this way that does not call for the exercise of this factor to a greater or less extent, based on the value of the security left in exchange for the loan.

RESPONSIBILITY OF THE BANKER.

Here is where the real responsibility of the banker begins. He has not only to keep a sharp lookout that nothing goes wrong inside of the bank, either with officers or employees, down to the last and most unimportant one on the payroll, but he must keep an equally sharp lookout on the conduct and business of his borrowers. This involves an endless detail and a tireless vigilance. The borrower has made certain statements as to his business and his ability to meet his obligation, which on their face are satisfactory to the lender, but the truthfulness of these statements is yet to be tested. The borrower may be all right at the time the loan is effected, but he, too, is environed by credit conditions which may fail to materialize as promised: and the first broken link in the chain credit puts every other link to a severer test than before, and every subsequent fracture of course puts the last link between the borrower and the lender in still greater jeopardy.

Therefore no class in the community has so great an interest at stake in maintaining sound credit conditions as the banking class. Bankers generally realize this, and it is one of the unusually heavy burdens which they have to bear. When a merchant fails, the disaster seldom affects the solvency of any other merchant, even those engaged in the same line. A manufacturer may fail, and throw out of employment a good many people, but beyond the personal loss of work the results are not serious. No banker fails to his own injury alone. For some reason not clearly understood, people hold bankers to a stricter accountability than men in other forms of business. A well-conducted bank is looked upon as about as safe an organization as can be named. Therefore when a bank does fail, confidence is shattered far and wide, and people immediately, for a time, lose faith in all banks, and very foolishly pursue a course that only tends to make the breach wider and more difficult to close.

SPECULATION FOLLOWS PROSPERITY.

Some may think words of caution at this time entirely unnecessary. I am not a pessimist, and I have no use for one. It is hard to conceive that a pessimist has any value anywhere, or at any time. But a reasonable view of conditions is appropriate at any time and in all places. The country has enjoyed an unusual era of prosperity. The wave has been more prolonged and has reached a higher mark than at any previous time in the history of the country. So long as the demand continues to expand and prices continue in the ascending scale, all will go well, despite a few occasional adverse circumstances. But unless all history is at fault, there will come a period of over-production and declining values. Once that condition is inaugurated for cause, and the tide will set the other way, for a time at least, with irresistible power. That is the lesson of experience to some and of observation to all.

Prosperity invariably produces speculation and laxity. With promptness in the payment of interest and principal, there is begotten less care in the scrutiny of men and the securities they have to offer, and a more liberal letting out of loans. No one realizes the extent to which these things obtain until the suspension of some big firm is announced. California had such a revelation on June 6, when nine banks in that State suddenly realized that heavy losses stared them in the face, principally from loans made on warehouse grain receipts, with no adequate quantity of grain in sight upon which they might recover their loans. I asked one of the banker victims, a few days later, what warehouse receipts were worth, and he said he would answer that question if I would tell him the price of old paper. Yet a week before the failure at least two banks were anxious to make loans on more of the same firm's warehouse receipts.

While laxity is a concomitant of a prosperous condition of things in the business world, rigidity is just as certain to be the rule during the reign of adverse circumstances. In either case the course naturally pursued has the same effect, and that is bad for both debtor and creditor. The happy medium that avoids both of these extremes is the only safe and wise course to pursue. The ideal banker follows an even pathway that leads neither to the mountain top nor to the deepest depths of the valley. Loaning out other people's money in flourishing times ought to be attended with closer discrimination than when conditions are less propitious; in the whirl of busy traffic and the rapid accumulation of wealth few men are able to maintain their equipoise. But the banker who handles trust funds should pursue the even tenor of his way in the bright and dark days alike.

A CLOSER UNION OF BANKING INTERESTS.

To this end there should be a closer union of the fraternity, less selfishness and less competition. The only affiliations in common that bankers have with each other are through the clearing-houses and bankers' associations, and the rules which these organizations adopt for the government of their members. The clearing-house has been of much value to its members, and incidentally to non-members in the same community. It can be made of still greater utility. Banks connected with these organizations, by standing with each other, have prevented much trouble in the financial world. Every city or town having a dozen banks, or perhaps even a less number, should have a clearing-house. The influence of such an organization on the community is good. The influence on the member banks adds stability and strength, and makes uniform action along conservative lines possible.

The State bankers' association should receive the hearty co-operation of every bank; and it will when it comes to stand for something of general interest to all. Nearly every State in the Union now has an organization of this kind, many of which have only come into existence in the last ten or fifteen years. Some of the larger States have divided their State organizations into groups for more effective service and relatively better attendance. The history of these associations is not all alike nor is the work they perform of the same relative importance. Probably not one of them has reached the best work it is able to accomplish under wise and energetic leadership, while some, it is feared, have little excuse for their existence. An association that brings things to pass which are of benefit to the banking fraternity, as well as to the general public will not lack for supporters, nor will its meetings be devoid of interest.

BANKERS AS CUSTODIANS OF CREDIT.

Bankers are not only largely the custodians of the people's money, but of the business credit of the country. They may be as helpless to make an honest man out of a dishonest one as other people, but they can do much to isolate the honest from the dishonest, both in their own ranks and also in the mercantile and industrial world. There are probably few banks in the country but what have some customers that need close watching. Indiscriminate borrowing and indiscriminate lending are twin evils, which, if they cannot be entirely eradicated, may be greatly neutralized. Bankers working in unison through the organizations already in operation, or others of a different form that may be suggested, can do much to remedy these and other existing evils; and bankers owe it to themselves and to the community which entrusts to them its funds and bestows upon them its patronage that they maintain a high standard of credit in the business world, for their prosperity is entirely dependent on the prosperity of their clients.

I am not a banker nor the son of a banker. All I know about the business has come from the outside rather than from the inside of the counter. My only experience in banking has been that which has come to me as a depositor and a stockholder. I do not owe a bank a dollar, and no bank would collapse if I should suddenly make a demand upon it for all it owes me. With such a superficial knowledge of the business, I have felt a little embarrassed in making the few suggestions incorporated in my remarks. If I may be allowed to add another, it would be this: Do not think you known it all because you are a banker. No one needs so much general as well as specific information as a banker. It is utterly impossible for you to be too well informed, and hence there is laid upon you a burden of study and of observation that is laid upon few professional men. You need to keep up an incessant watch on current events in the political, the social and the industrial world, and the effect the changes in these directions have upon values.

There is a sense in which bankers are the creators of credit as well as the conservators of credit, so there is a dual responsibility resting upon them. An organization that can create credit holds second place only to a mint where actual money is made. As conservators of credit, you are at the same time the creators of credit; and credit rather than coin is the chief factor in the world's business. A well-conducted bank is an element of confidence and strength in any community. A wisely-managed bank is certain of a prolonged and successful career. Such a bank is like well-prepared and well-preserved wine, the older the better. Managers of banks may come and go, as most earthly things do, but a bank conducted along ideal lines will go on forever, being passed down from one generation to another. There are many such banks in the older States even in this country; and it ought to be the aim of those in charge of the banks in this State to pass their organizations to the generations following in such good condition and under such wise rules of government that they will continue to exist and prosper long after those now in charge shall have passed away.

A. L. Mills, President of the First National Bank, Portland, Oregon, delivered the following address on "The Duties of a Banker:"

THE DUTIES OF A BANKER.—BY A. L. MILLS.

Mr. President, and Gentlemen—Were I called upon to name in their order the chief duties of a banker I should say:

First—To safeguard the funds intrusted to his care.

Second—To facilitate the commerce of the community.

Third—To earn adequate dividends for his stockholders.

Fourth—To act as a conservative element in the community and to aid in moulding public opinion.

When a bank receives deposits it agrees to return them on demand unless some specific contract to the contrary is entered into. The only pact with the ordinary depositor is to return his money when demanded; failure to do so means the failure of the bank. Nevertheless for a bank to have on hand at all times the funds necessary to pay every depositor in full would destroy many of the useful functions of the bank and would convert it into a safe deposit vault. How then can a bank be so conducted that it can be reasonably sure of fulfilling its obligations to its depositors?

The merest tyro at banking or the most crassly ignorant of depositors knows that time and experience have demonstrated that a reasonable amount of a bank's deposits may be utilized to perform the other duties of a bank. What then is a reasonable amount to so utilize, or conversely, what proportion of a bank's liabilities should be kept in cash and what disposition should be made of the remainder in order that a banker may be reasonably sure of fulfilling his duty to his depositors?

No hard and fast rule can be laid down, applicable at all times and under all conditions; at best we can but approximate. There are times when a banker can meet his depositors smilingly with but a ten per cent. reserve, and there are other times when his mind is tortured at the thought that he has not the coin in his vault to cover every dollar of his deposits. A banker cannot be a coward; he is ever sleeping on a magazine that any time may explode and wreck his institution. He is ever using, without law or license, the funds intrusted to him for safe keeping; custom may sanction such use but the law does not grant it.

What is reasonably safe banking in one section of the country is not in another, and what may be good banking in New York, for instance, may be poor banking on the Pacific Coast. To illustrate: In May, 1893, I asked Mr. Perkins, late President of the Importers and Traders' National Bank, if, in case the Security Savings and Trust Co. should be in need of funds the coming summer, could his institution grant us an accommodation on the pledge of our Government and railroad bonds?

"You may have what you want now, Mr. Mills, but what in the name of good banking are you doing with those bonds? It is not good banking to invest your money in railroad securties." I replied that we held them in order to have an anchor to windward; in order to have some quick assets in just such times as appeared near at hand.

"But you are wrong, Mr. Mills, you have a false idea of how to prepare for financial storms. Do as we do when we see our reserve running low; call in your demand loans; if that does not suffice and the drain continues, take your tickler and give instructions to collect your maturing paper."

I answered that banking in New York and in Portland, Oregon, were two entirely different propositions and principles that would apply in New York were not applicable to conditions that prevailed on the coast; that if a panic struck Portland we could call our demand loans until we were hoarse without avail, and that to force collection of maturing paper would be a confession of weakness that would act as a boomerang on the bank.

And Mr. Perkins' comment was: "Then if such is the case in Portland, I would have nothing to do with banking, and I should advise you to seek some other occupation."

No exact rules and regulations can be laid down to govern banking alike in all parts of our country. The National Bank Act attempts to do so but its cast-iron provisions are often honored in the breach. The act states, for instance, that a National bank shall not loan on real estate mortgages, and the restriction may be a good one for banks in large cities, but what country baker does not know that in our farming communities no better security can be obtained for a portion of his funds than land?

WHAT CONSTITUTES A SUFFICIENT RESERVE.

But I have wandered somewhat from the point at issue—what in our Northwest is a reasonable reserve and what is a reasonably safe use of the balance of a bank's funds, bearing in mind always that a banker's first duty is to his depositors?

Mr. Horace White, in his account of the Suffolk Bank system, writes as follows: "It was not until 1858 that the State of Massachusetts, in consequence of the panic of 1857, established a legal reserve of fifteen per cent. of specie against both deposits and circulation. Prior to the passage of the law of 1858 the specie reserve had been extremely variable, ranging from forty-four per cent. in 1843 to seven and one-half per cent. in 1851. * * * This law did not touch the other New England States, whose banks were integral parts of the Suffolk system. In 1859 Maine, Rhode Island and Connecticut each had ten per cent. of specie as against circulation and deposits, New Hampshire seven and one-half per cent. and Vermont only six per cent."

Under the present National Bank Act, in other than reserve cities, a bank is permitted to loan all but fifteen per cent. of its liabilities; of this fifteen per cent. three-fifths may be deposited in a reserve city; and the banks of a reserve city are permitted to deposit one-half of their twenty-five per cent. reserve in New York, Chicago, or St. Louis, where the National banks are required to keep but twenty-five per cent. in coin. Has it ever occurred to you how small an amount of coin is thus behind the deposits of the country? How dependent all the banks of the country are upon the resources of the great banks of New York, Chicago and St. Louis? The restrictions of the National Bank Act may, in the opinion of the framers of that law, be sufficient protection to the depositors, but does any one here think it is reasonably safe banking to have but a little over six per cent. in cash behind his deposits? And yet a compliance with the National Bank Act requires but that much coin! For instance, a National bank in Whatcom has $400,000 deposits; of its $60,000 reserve $36,000 may be kept in Portland; against the $36,000 Portland must keep a reserve of $9,000 of which $4,500 may be in New York, and New York is required to keep but $1,125 of this on hand. To meet the $400,000 deposits in Whatcom the requirements of the National Bank Act are fulfilled with only $29,625 cash, or a trifle over seven per cent. This may be sufficient protection for the public, but when Uncle Sam deposits his money he requires as security dollar for dollar in his own obligations. When we note how closely the banks of the country are knit together, how dependent they are upon one another, is it a matter of wonder that a panic in Wall Street is felt throughout the length and breadth of the land? Is it wise to be so dependent; should our banks not be more independent; and to do so should they not carry more of their reserve in their vaults and in near-by cities?

Is the fifteen per cent. rule of the National Bank Act a safe guide? Consider the difficulty, nay, impossibility of collecting our loans in times of panic; consider that our people will be satisfied with nothing short of gold coin when panic drives them to the bank doors; that we can not issue clearing-house certificates that pass current for the coin of the country, practically suspending specie payments as New York did in '93. Consider these facts and ask yourselves if a fifteen per cent. reserve is sufficient preparation for the evil days that are sure to return? The pendulum of prosperity swings backwards and forwards, has it almost reached the limit of good times?

To conduct a bank on a fifteen per cent. reserve and in troublous times to depend upon larger institutions for loans or rediscounts is most dangerous. In fact when a good hard panic strikes the country the larger banks are apt to call in their loans made to correspondents: self-preservation becomes the first law; every bank for itself and the Receiver take the hindmost. With the conditions prevailing here, it is the banker's duty to carry in his vaults a large amount of cash and his larger balances should be near at hand. In '93 it was extremely difficult to make collections on the banks in the East and the transfer of coin to this coast was accomplished at heavy cost and with much difficulty. At that time we had a draft for a considerable amount on a solvent Philadelphia bank. Our New York correspondent sent it back with the comment "cannot collect on Philadelphia." We returned it with instructions to present again, hold, and wire fate. Our correspondent wired, "bank will honor only in Philadelphia exchange, we cannot credit your account." We answered, "send collection by special messenger, demand the coin or close the bank." The above story is from memory, but the history of the collection is practically as I have given it. The collection was paid, but we lost many valuable days and paid a heavy exchange charge.

As I have remarked previously, no hard and fast rule, applicable to all conditions, can be laid down for the amount of reserve a bank should carry, but I believe that a bank in the Northwest, and in the light of past and existing laws, I venture the advice with much diffidence, can feel only reasonably safe with a reserve at all times of twenty-five per cent of its demand liabilities (fifteen per cent. of which at least should be in its vaults) and in addition twenty-five per cent. of its loans should be good, quick convertible Wall Street securities.

Mr. Horace White says: "It is desirable that a bank should have a portion of its interest-bearing assets so invested that it can be quickly turned into cash to meet a sudden emergency. This is especially needful in the case of a bank which holds large sums deposited by other banks, since a financial disturbance occurring in a distant quarter may bring sudden demands for cash from these depositing banks. Stock Exchange securities are held by banks partly because they can be sold at short notice to meet such emergencies, etc."

Should one however share Mr. Perkins' objections to bonds, then the bank should keep a fifty per cent. reserve. A fifty per cent. reserve seems large and not especially apt to gladden the heart of a stockholder, but I spoke advisedly when I said it was only reasonably safe. In a neighboring city, I am told, a bank went into the panic of '93 with that reserve. Its directors viewed the troubles with complacency; they made no attempt to strengthen their position; on the contrary, their cupidity urged them to take new business and their neighbors unloaded on them; before they knew it the bank was in deep water; it was too late to obtain aid and soon those ugly rumors were afloat that start no one knows where; the bank was obliged to close its doors and the Receiver performed the last sad rites.

Much more could be said of a banker's duty to his depositors, but in some lame fashion I have tried to set forth what I believe to be his duty in this respect concurrent with his other duties.

COMMERCE AIDED BY BANKS.

To facilitate the commerce of a community, I have called the banker's second duty.

Ricardo has said "the distinctive function of a banker begins when he uses the money of others." If a bank acts simply as a storehouse for the funds of its depositors, it becomes a safe-deposit vault; it ceases to perform one of its chief duties and instead locks up the funds of a community that should be used to aid the wheels of commerce.

The necessities of commerce called banks into being. At first their functions were simple; the great banks of Italy and Holland were mediums of exchange for the coins of other countries. In early days interest was a crime; interest and usury were synonymous terms. Gradually the usefulness of banks became apparent and their functions extended. Prejudice disappeared and to-day it is the interest account that in most cases supports a bank. The private funds of the world are in banks and bankers rule the world. It was said years ago that no European power dare undertake war without first consulting the Rothschilds; possibly to-day it is Mr. Morgan. Hamilton recognized the functions of a bank when he planned the financial framework of our country and the removal of the public deposits in the thirties shook the country to its foundations.

As a pond is formed by many little streams and springs and the overflow is used to turn the wheels of a mill, so a bank gathers size and strength from the thousands of small depositors, and the surplus is, and should be, used to turn the wheels of commerce. Recognizing this duty, to whom and to what extent should the funds of a bank be loaned?

Those borrowers who have first claim on the funds of a bank are its depositors, those who have shown their faith in the institution, and the measure of the claim should be the value of the account.

Next are those well-established industries that go to make up the life of a community, the great lumber, wool, wheat, salmon and manufacturing interests, the great wholesale and retail houses, by whose efforts and enterprise our cities prosper.

Finally come the miscellaneous loans that are taken simply to swell the earnings of the bank, such as warrants of distant cities and counties, loans to interior merchants, and commercial paper purchased in Eastern cities.

Let us consider the class first mentioned, those borrowers who are depositors in the bank: to what extent should they be accommodated? The National Bank Act limits a loan to ten per cent. of the bank's capital, but the rule is often broken, else how could a bank like the Chemical National in New York do business on a $300,000 capital and $7,000,000 surplus with a limit on its loans of $30,000? An officer of a New York bank not long since said to me "our excess loans are our best ones, and Mr. Dawes acknowledged he had usually found it to be the case."

Nevertheless the ten per cent. limitation is good and useful at times; but without injuring its efficiency, it might be stretched to include ten per cent. of a bank's capital, surplus and undivided profits; especially might this be where the borrower is a depositor, since in this case a bank usually has a portion of its loan on deposit. In some Eastern cities a customer is required, or at least expected, to keep on deposit a quarter of what he borrows, thus reducing the amount a bank has at risk.

This leads me to speak of another point of difference between the East and our coast, somewhat irrelavent I confess, but one with which we all have been confronted. How often have you been asked why you demanded such a high rate of interest when the New York banks were loaning at so much lower rate? Of course the law of supply and demand governs largely, but the slack principles we follow are partially to blame. Do we really anticipate a ninety-day loan will be paid at maturity? Do we refuse a partial payment at any time or refuse to allow a credit for interest by virtue of such payment? In fact are we not apt to call a customer "prompt pay" who, without a thought of the principal (unless he has been severely reminded) steps up to the counter and pays his interest only on the maturity of his note? I have even known borrowers to complain about paying interest accrued after the maturity of a note because they had failed to receive a dun. It is this looseness on our part, this failure to educate the public to the duty they owe the bank, that makes banking in the Northwest difficult; and it is from not understanding our loose methods that Mr. Perkins exclaimed that we did not know the principles of good banking. Were our merchants made to understand the nature of their obligations; that, unless previous arrangements were made, the note must be met at maturity, that partial payments would not receive consideration in the computation of interest, that the extent of their right to borrow would be measured by the size of their daily balance, the disparity of rates of interest between the East and the West would not be great and our banks could figure with some slight degree of certainty upon the availability of their assets in the note-pouch.

Then again another difference between banking in the East and West: In New York there is such a thing as a money market and rates of interest fluctuate with the supply and demand. There a bank's funds earn proper return when the money market is tight. How is it with us? Does the rate respond to the condition of the local money market? Is it not that our rate is constant and that loans are refused as the supply of funds diminishes? As times have grown better and money becomes more plentiful in the Northwest our ruling rate has steadily fallen, but does it ever rise with a stringency? What results? When times are good and money easy everywhere our best customers seek the lower rates of New York; when times are bad and money tight everywhere they come home to be cared for by their local banks. No one blames them, it is simply common sense to pay as little as possible for money, but it helps to complicate the management of a Western bank. However, until we grow stronger and more independent and govern our business according to prevailing conditions, the situation will remain unchanged.

I have said that next to a bank's depositors the commercial enterprises of a community have a claim on the funds of a bank.

Few banks, single-handed, can carry some of the larger enterprises of a community; because such an enterprise does not keep an account it should not be refused accommodation and the bank's funds loaned in the East. Its funds have been deposited by the community and in a measure it is a breach of trust to deprive the home community of the benefit of them. But in loaning to other than his depositors, a banker must exercise great care; he must consider well the reasons for the application; it may be but the kindly effort of a fellow banker to unload an undesirable account; if collateral is offered, the kind of collateral must be scrutinized. It has been thought that warehouse receipts for grain were the best of collateral, but note the Eppinger failure in San Francisco. It is safe to value warehouse receipts but lightly when the warehouse is owned or operated by the borrower; a criminal suit is but small compensation for lost money. An interior warehouseman often has slight conception of the difference between meum and tuum and the banker may wake to find that warehouse receipts like fiat money have nothing behind them.

A banker is often tempted to loan too freely to those enterprises in which either he or his directors are interested. If you analyze bank failures you generally find such loans to be one of the chief causes. One from whose advice and counsel I gained much in the past, Mr. Henry Failing, once said to me, "When doubtful about a loan I say to myself, 'Whose money are you loaning,' and the thought it was not my own has saved the bank from many a loss." Another remark of his was "a banker cannot afford to have friends." How many of us in a moment of weakness have loaned against our instinct money to some "good fellow" and later have mournfully placed the obligation in that collection of thumb-worn relics marked "charged to profit and loss?"

It is hardly necessary to speak of loans where an interest in the enterprise is offered as additional inducement, yet I have heard of institutions, where unless the banker was let in on the ground floor, one could not get a loan. Such a false conception of a banker's duty is unworthy of more than mere mention.

EARNING DIVIDENDS FOR STOCKHOLDERS.

The third duty of a banker, as I have classed his duties, is that of earning dividends for the stockholders.

To earn dividends for the stockholders certainly is one of the chief duties of a banker, since without the prospect of adequate returns on the capital invested few banks would be organized; nevertheless the desire to fulfill that duty to the entire satisfaction of all the stockholders, exposes a banker to the gravest dangers.

Often the success of a bank is measured by the size of its dividends and the success of the bank is the gauge of the qualifications of the manager. Yet many a bank that pays but small dividends performs most useful functions in the community; better six per cent. dividends with all other duties fulfilled than twenty-five per cent. dividends with every available dollar loaned out at the highest rate obtainable. The devil standing behind every manager's chair, urging him to take this or that piece of risky business, to let his reserve run low, or to take chances on the future for the sake of the present, tempts him with the plaudits of his stockholders and the consequent appreciation of his services. It is hard to run safe and withstand the temptation of risky business at high rates when one's stockholders complain of small dividends.

It may be that I have spoken in a slighting manner of a bank's stockholders and given the impression that their only thought was the size of their dividends. This is true of many but there are others, and the majority, I hope, who appreciate the higher duties of a bank and who are proud to be part owners of an institution that is known to be sound to the core.

It might be inferred also that a banker performed his duty to his stockholders best when he paid them the highest dividends. This is not altogether true. His duty is best fulfilled when the bank is so conducted as to be a source of pride to them and the community; when its credit, like the Rock of Gibraltar, is impregnable; and when, be the dividends what they may, the bank performs its other functions faithfully, honestly and conscientiously.

To act as a conservative element in the community and to aid in forming public opinion, I have called the final duty of a banker.

No one can deny the great influence exerted in the community by the managers of its financial institutions. By the very nature of their calling they inspire confidence and their words are listened to with respect and consideration. Into their ears are poured the business secrets of a community and their opinions are spread widecast abroad. How carefully then must their utterances be guarded. Their calling demands conservatism; your optimist is generally a wildcat banker and your pessimist is usually the safest banker to whom to intrust your funds. Let the bankers foster every boom proposition in a city, and how long before its citizens are in sackcloth and ashes! Let others do the booming and let the bankers preach conservatism.

The bankers of a community are in its every council, members of its clubs, committees, and trade organizations; upon them more than upon any other class of its citizens rests the duty of moulding public opinion. Do we fully appreciate this responsibility? Are we careful enough of our words when we think how far they carry? Recently it was said of Mr. Williams, late President of the Chemical National Bank, that "in times of inflation he was conservative and safe; in times of financial stress, calm and strong; he was the best type of the high-minded commercial banker." Can we feel in any small measure, each of us, that such words of praise can be uttered of our endeavors?

One word more in this connection, applicable to our local condition in the Northwest, and then I shall conclude this sophomoric homily.

We all know well the jealousies of our leading cities. How contemptuously they refer to Spokane as a windbag harnessed to a waterfall; how Seattle is jeered at as famous for nothing but its padded clearings and its criminal element; how Tacoma is said to be commercially dead and living only on its past glory; how Portland is a back number in the last stages of decomposition on the muddy banks of a ditch.

Now, my friends, do we who are of so much weight in our local communities encourage this spirit, or do we stand on a higher plane than the liars and the carpers?

President Roosevelt remarked: "It can not be said too often that it is never detrimental to any section of the country to have another section built up." Do we preach this doctrine?

Do we give due praise to the men of Spokane who, undaunted by disaster, reared their city again from the ashes and whose spirit and enterprise have harnessed that mighty waterfall so that to-day its force is felt in the mines of Coeur d'Alene, fifty miles away?

Do we accord to Seattle the admiration it deserves? Blasted by fire, sidetracked by the great railroads, the indomitable spirit of its people reared a greater, nobler city on the site of the old and compelled the railroads to come suppliant to Seattle's doors.

And Tacoma, founded, fostered and aided by a great corporation, when that corporation in great measure withdrew its support, did not Tacoma's people manfully take up their burden and make of their city one of the most beautiful and active commonwealths of our Northwest?

And of Portland, my own city, do you of Washington often say a good word? Is Portland dead, is it lacking in enterprise? In three days we raised $350,000 to exploit to the world the resources of our great Northwest. From our own pockets we have expended over $1,300,000 to dredge out our river with never a whine to Congress for help, and within a year by our own resources we have opened to rail connection one of your beautiful valleys, the Klickitat, at a cost of upwards of a million dollars.

But, enough; the subject is one on which I could easily dilate at length, but the point is made if I have brought to your minds one of our great duties, namely, to aid in forming a proper public spirit in our own communities, a spirit of generous rivalry, a spirit of emulation, not of envy.

Let us go back to our duties with a higher conception of them if possible; let us teach and practice that in unity is strength; that our great Northwest is one country and destined to be the greatest of these United States; that there is room for all and many more; that to build up is better than to tear down; that only by working together for the good of all can we attain that growth and that position to which by all the blessings of soil and climate and geographical position we are justly entitled.

Among the other papers read were the following: "Protection for Bankers in the Negotiation of Warehouse Receipts and Similar Securities," by H. S. Griggs; "Clearing-House Emergency Circulation," by Theodore Gilman of New York (this address appears elsewhere in this issue); "Trust Companies," by Charles S. Miller; "The Country Banker," by Thomas H. Brewer; "Need of an Elastic Currency," by E. O. Graves.

P. C. Kauffman made his report as a delegate to the convention of the American Bankers' Association at New Orleans.

Resolutions were passed as follows: thanking the bankers and others for hospitalities; expressing regret for the death of ex-Vice-President White; expressing thanks to the retiring officers for their faithful and efficient services; thanking the daily and financial press for reports of the convention; also the following:

"*Resolved*, That the Washington State Bankers' Association express its hearty endorsement of the efforts being made to amend our present banking laws so as to provide a thoroughly scientific system of currency that will prove responsive to the requirements of business, automatically expanding and contracting according to the demands of trade and commerce, and to that end we favor a clearing-house emergency circulation."

Resolved, That the Washington State Bankers' Association is opposed to the establishment of a system of branch banking in this country."

The proposition of holding next year's convention on a steamer on a trip to Alaska and return, was submitted and considered, but on vote it was decided not to adopt the plan and President Moore's invitation to meet in Walla Walla was accepted. The exact date is to be fixed later by the executive committee. The secretary's salary was fixed at $200 annually.

Officers were elected as follows: President, C. J. Lord, President Capital National Bank, Olympia; vice-president, W. E. Schricker, President Skagit County Bank, LaConner; secretary, P. C. Kauffman, second Vice-President Fidelity Trust Company, Tacoma; treasurer, George S. Brooke, President Fidelity National Bank, Spokane; delegates to the convention at San Francisco, E. W. Purdy, of Whatcom, and M. W. Shaw, of Seattle; alternates, A. F. Albertson, of Tacoma, and George Donald, of North Yakima. Executive committee, N. H. Latimer, Manager Dexter Horton & Co., Seattle; W. D. Vincent, Cashier Old National Bank, Spokane; E. T. Coman, Cashier Second National Bank, Colfax; J. A. Swalwell, Cashier First National Bank, Everett, and George B. Burke, Cashier Andrews & Co., Fairhaven.

Excursions, receptions and other entertainments constituted enjoyable incidents of the convention.

WISCONSIN BANKERS' ASSOCIATION.

The ninth annual convention of the Wisconsin Bankers' Association was held at Milwaukee August 5 and 6. President James K. Ilsley, of the Milwaukee Bankers' Club, which had charge of the arrangements for holding the convention, delivered the address of welcome. President Field's annual address congratulated the bankers of the State on the generally prosperous conditions which have prevailed throughout the year since the previous convention. Secretary John Campbell made his annual report, which showed the membership to be 238, compared with 187 at the last convention.

Reports of the various committees were read, and a special committee was appointed to consider the matter of bank money orders.

The first paper on the programme was by Hon. James H. Eckels, former Comptroller of the Currency and now President of the Commercial National Bank, Chicago. Mr. Eckels was unable to be present, his paper being read by Frank G. Bigelow, President of the First National Bank, Milwaukee. Mr. Eckels' address was on the lines of other papers read by him before State and national conventions of bankers, ably advocating an asset currency. He said in part:

"When the invitation was extended to me to prepare an address for this convention, I accepted in the hope that I might make some suggestions worthy of the issue here to be discussed and of the distinguished body of financiers here assembled. A multiplicity of affairs crowded in upon me, however, have prevented my giving to the subject, at this time, more than the most passing consideration, and what I shall say can be but little else than a reiteration of views heretofore expressed and with which, I am sure, most of you are thoroughly familiar.

I have for a number of years been counted with those who have advocated a thorough revision and reform, if you please, of the financial and currency system of the country. In the advocacy of such changes as it seems to me would be beneficial to the whole body of the people and every character of business undertaking, I have at least tried to avoid radicalism, and have never wished to do anything that would tend to in any manner lessen either the soundness of the country's currency or invite unwise experiments. And yet because changes are urged, and present conditions looked upon with dissatisfaction, currency reformers are charged with a wish to debase our monetary system, unduly inflate the volume of our currency, and of being the willing sponsors of what are termed 'wildcat' bank notes.

In the face of the facts and in the knowledge of the power for good in an enlightened public opinion wrought by the education of economic research and the force of impartial judgment, I do not hesitate to make the assertion that Congress will not long deny the business world legislation that is so urgently required if banks are to fulfill their duties to labor, trade and commerce, and become, as they ought to be, the essential aids in the conduct of the undertakings of an industrious and intelligent nation.

I do not believe in the wisdom of hasty action, convinced though I am of the absolute soundness of a bank-note currency founded wholly upon commercial assets, but I do not believe bankers will do either themselves or the business of the country, which it is their duty to serve, justice if they do not insist that here too a first step be taken towards a reform so much needed, so misunderstood and indifferently treated.

The world of business needs here a banking system which is founded upon the laws of economic truth, freed of political thought and in accord with what best answers the purposes of daily exchange and barter. Until it gets such a system we shall fail to gather all the rewards which industry, economy and prudence should give to the American people."

A. J. Frame, President of the Waukesha National Bank, strongly opposed the issue of asset currency, except in emergencies. Mr. Frame's address appears elsewhere in this issue of the MAGAZINE.

The committee on resolutions reported the following, which were finally adopted after a discussion on the third paragraph :

"*Resolved*, That the Wisconsin Bankers' Association approves of any reasonable amendment to improve our present banking and currency system, but we are opposed to branch banking.

Resolved, That we approve of legislation to prevent the locking up of funds in the United States Treasury.

Resolved, That we would welcome any sound solution of the vexed problem of an elastic or emergency currency, if issued through conservative channels and with restrictions insuring its prompt retirement after its work is done."

The committee on the secretary's report reported in favor of the system recommended by the secretary—a system of money orders and a protective fund for the prosecution of swindlers.

The report of the committee on nominations was unanimously adopted by the convention, and these officers were chosen :

President—John M. Holley, Cashier State Bank, La Crosse.

Vice-President—William B. Banks, President First National Bank, Superior.

Secretary—John Campbell, Milwaukee.

Treasurer—E. A. Dow, President State Bank, Plymouth.

A reception and dance and a banquet were pleasant incidents of the convention.

BANKS AND PUBLIC MONEY.—The published report that Government deposits in National banks are to be materially increased is declared by Secretary of the Treasury, Leslie M. Shaw, to be unfounded. Secretary Shaw made public the following statement on September 3 :

"I notice some newspaper accounts to the effect that I am about to increase the deposits of public money in National banks to the extent of $40,000,000. It is true that I have $40,000,000 available for deposits if conditions should hereafter render it expedient to make so large an increase, but for the present I am accepting only applications for small amounts that have been on file for several months, and am confining these acceptances to the agricultural districts."

BANKING AND FINANCIAL NEWS.

This department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—Carl R. Schultz was elected President of the Equitable National Bank on August 26, succeeding James M. Bell, resigned.

—On August 27 the New York Clearing-House Association completed fifty years of its existence. On August 27, 1853, a meeting of New York bankers was held in the Merchants' Bank for the purpose of arranging to establish a clearing-house. A committee, appointed to formulate a plan, reported two weeks later, and on October 11 of the same year the first clearings amounted to $22,648,109.87, which were settled by payment of balances aggregating $1,290,572.38. There were fifty-two banks in the association.

Between that date and January 1 last the total clearings aggregated more than $1,000,000,000,000 and the total of balances to more than $69,000,000,000. There are are now fifty-six banks on the membership roll.

—Announcement is made by the Bankers Trust Company that it has leased new offices at 7 Wall street, the same that were occupied by the Hanover National Bank during the construction of its new building. The Bankers Trust Company's deposits now aggregate over $7,000,000.

—The National Park Bank has recently issued a handsomely-printed and illustrated booklet describing its safe-deposit department. Every precaution that skill and capital could afford has been taken to make the vaults absolutely safe, and the conveniences and facilities offered for the safe keeping of securities and other valuables are as nearly perfect as could be devised.

—Plans have been completed for a new building at 60 and 62 Wall street, to extend through to 63 and 67 Pine street. The Wall street front will be fourteen stories high, and the Pine street front twenty-six stories. Part of the building will be occupied by the International Banking Corporation and the International Bank, of which W. L. Moyer is President. Both institutions are now located at 1 Wall street.

—These trustees of the American Institute of Bank Clerks were elected August 24: Caldwell Hardy, President Norfolk National Bank, Norfolk, Va.; A. H. Wiggin, Vice-President National Park Bank, New York, and Joseph Chapman, Jr., Assistant Cashier Northwestern National Bank, Minneapolis. The officers of the institute for the ensuing year are: J. B. Finley, of Pittsburg, president; George F. Orde, Chicago, vice-president; John F. Thompson, New York, treasurer, and George E. Allen, New York, secretary.

—The Trust Company of the Republic has moved from 346 Broadway to 27 and 29 Pine street.

NEW ENGLAND STATES.

Maine Bank Resources.—On August 6, Hon. Fremont E. Timberlake, State Bank Examiner, issued the annual statement of the Savings banks and trust companies of the State of Maine. There are 51 Savings banks in the State, with liabilities of $79,724,795, divided as follows: Surplus fund, $3,136,523; other undivided profits, $1,803,865; deposits, savings, $74,781,073; all other liabilities, $3,334.

Nineteen trust companies are now doing business in the State. The total liabilities are $18,328,884; dividend paid on capital stock, $130,950; average per cent. 7¾. Depositors of savings deposits, 18,189; average rate of interest, 3.20.

Boston.—Herbert J. Patterson, since January 1 Vice-President and manager of the American National Bank, was elected President of the bank September 1 to succeed Samuel F. Blanchard, resigned. The directors also elected J. Middleby, Jr., and C. H. Collins, members of the board, first and second vice-presidents respectively.

MIDDLE STATES.

Yonkers, N. Y.—The Westchester Trust Company, which has been in successful operation here for several years, recently absorbed the business of the Citizens' National Bank. Peter J. Elting, who has been Vice-President of the Citizens' National Bank, succeeds John Hoag as President of the Westchester Trust Co., the other officers of which are: Vice-Presidents, Francis M. Carpenter and Howard Willets; Secretary, James E. Howes; Treasurer, John H. Keeler; Assistant Treasurer, Geo. W. Peene.

Baltimore, Md.—A recent issue of a paper called "Views," has the following, which is self-explanatory:

"Recent investigation has convinced us that the statement made in the communication published in the July issue of this journal under the caption of 'Charges Against a Baltimore Surety Company,' were without foundation. Hence this correction and apology for our credulity in publishing the material manufactured by a former employee of the United States Fidelity and Guaranty Company who had been justly dismissed from its services."

New York State Bankers' Association.—The tenth annual convention of the New York State Bankers' Association was held at Saratoga Springs, September 10 and 11. Prominent features on the programme for discussion were: "Bank Money Orders," by Joseph Chapman, Jr., Cashier Northwestern National Bank, Minneapolis; "Interest on Individual Deposits," Frederick D. Kilburn, Superintendent New York State Banking Department; "Fidelity Insurance," C. O. Austin, Vice-President National Bank of North America, Chicago.

A complete report of the proceedings of the convention will appear in the October issue of THE BANKERS' MAGAZINE.

Joint Bankers' Convention.—Maryland and District of Columbia bankers are to have a joint convention this year, the meeting to be held on a steamer on the Potomac River, beginning September 24.

New Jersey Trust Companies.—Returns of the trust companies of New Jersey, recently compiled from the official reports for June 30, show that the total resources of all trust companies are $133,468,962, a gain of $20,073,208 over the preceding six months. Total deposits are $97,443,928.21, an increase of $14,850,820 for the same period. The gain in surplus and undivided profits was $3,508,083. The capital stock item has been increased by $748,100, due to the formation of two new companies.

SOUTHERN STATES.

Biloxi, Miss.—By a regrettable error in the July issue of the BANKERS' DIRECTORY, no correspondents were reported for the People's Bank, of Biloxi, Miss. The principal correspondents of the bank are: National Park Bank, New York; Hanover National Bank, New York, and the Hibernia Bank and Trust Co., New Orleans. As will be seen, therefore, the People's Bank, of Biloxi, is well supplied with exchange facilities, as it is thoroughly equipped for transacting all other kinds of legitimate banking.

Georgia Abolishes Grace.—According to a recent act of the Georgia Legislature, "all promissory notes, drafts, bills or other evidences of debt, dated on or after the first day of October, 1906, shall become due and payable on the date named in the contract."

New Orleans, La.—Plans for a closer relationship between the Germania National Bank and the Interstate Trust and Banking Company are about completed. The project does not contemplate an actual consolidation. The two corporations will have practically the same shareholders and directors, though with different officers, and will work in harmony, though not engaging in the same lines. The Germania National Bank will continue as a National bank in its present quarters with its present officers and clerical staff, and the Interstate will transfer its general banking accounts and business to the Germania. The Germania will throw to the Interstate all possible business in the way of savings, safe deposit and trust work. The stock of the two will be exchanged in such wise as to reduce the capital and surplus of the Interstate to $825,000, and to increase the capital and surplus of the Germania to $2,250,000.

WESTERN STATES.

Chicago.—A compilation of the returns of the State banks of this city as made to the Auditor of State on August 11 shows that the deposits of these institutions have reached a total of $230,000,000. How great this growth is may be seen from the fact that in 1890 these deposits were only $35,000,000, and in 1898 $113,000,000, the present figures being an increase of 100 per cent. since the latter date.

South Dakota Banks Prosperous.—Deposits in the National banks of South Dakota have increased over 100 per cent. in the past four years, according to a statement issued August 12 by George A. Silsby, National bank examiner of the State. Mr. Silsby says that in

1899 there were twenty-five National banks in the State, while now there are fifty-seven. The increase in deposits in the banks which were in existence four years ago is sixty-three per cent. The total deposits of the State are $32,000,000, or $71.10 per capita.

Cleveland, Ohio.—The First National Bank will absorb the Coal and Iron National Bank, the latter having gone into voluntary liquidation as a separate institution on August 15. It is the intention to increase the capital of the First National from $500,000 to $1,000,000.

North Dakota Bankers.—A meeting was held at Grand Forks, No. Dak., August 27 and 28 for the purpose of organizing the North Dakota Bankers' Association.

PACIFIC SLOPE.

Los Angeles, Cal.—At the monthly meeting of the directors of the Farmers and Merchants' National Bank, August 10, it was voted to increase the capital from $1,000,000 to $1,500,000 and the surplus from $500,000 to $1,000,000. It was also decided to buy property on which a modern bank building will be built.

—Geo. E. Bittinger, for the past eight years Cashier of the First National Bank, Riverside, Cal., became Cashier of the Los Angeles National Bank September 1. Mr. Bittinger remains a director of the First National Bank, of Riverside, and also second Vice-President, the latter office being created for him so that the bank might retain his services in an advisory official capacity.

Failures, Suspensions and Liquidations.

Arkansas.—On August 8 the Bank of Devall Bluff was placed in the hands of a Receiver, and it is reported that $10,000 of the bank's funds is missing.

Indiana.—The private bank of Kinney & Co., at Angola, closed August 18. It is stated that an attempt to finance a trolley line caused the failure.

Minnesota.—The recent failure of the Commercial Banking Co., of Duluth, owing to a reported embezzlement by an employee, also brought about the closing of the Merchants' Bank, of Duluth, on August 14.

—The Commercial Banking Co., of Carlton, and the Bank of Cloquet closed August 13.

—The Farmers and Merchants' Bank, of Montgomery, closed August 14, with deposit liabilities of from $50,000 to $60,000.

New Jersey.—The Navesink National Bank, of Red Bank, closed August 14. It is estimated by the Receiver that the liabilities of the bank are $33,173 in excess of the good assets. Individual deposits amounted to about $295,000 and due National banks, $105,154.

North Carolina.—The Farmers and Merchants' Bank, of Newbern, closed August 4, and a considerable shortage is reported in the accounts of the Cashier, who is said to be missing.

Tennessee.—The Stewart County Bank, of Dover, suspended August 20.

—The Bank of Henderson closed on July 31, the Cashier having lost heavily in cotton speculations, according to report. Deposit liabilities were about $50,000.

Texas.—On August 19 the Citizens' National Bank, of Beaumont, capital $100,000, suspended. Rod Oliver, President of the bank, was interested in several banks in Texas, including the Bank of Frost, the Groesbeck National, Allen & Oliver, Hubbard City, and the Barron Banking Co., of Thornton, all of which have suspended.

These failures are comparatively unimportant, except those at Beaumont and Groesbeck, the Citizens' National, of Beaumont, having had an extensive deposit line.

Money in the United States Treasury.

	Jan. 1, 1903.	*July 1, 1903.*	*Aug. 1, 1903.*	*Sept. 1, 1903.*
Gold coin and bullion	$617,196,083	$631,186,844	$634,869,278	$647,858,790
Silver dollars	470,783,167	485,798,190	485,579,592	485,262,984
Silver bullion	23,057,667	15,311,210	15,836,557	15,601,548
Subsidiary silver	6,419,206	9,411,209	9,432,720	8,996,276
United States notes	2,910,158	10,088,644	11,485,451	11,303,448
National bank notes	16,251,253	13,262,461	15,948,987	19,203,045
Total	$1,136,617,534	$1,165,059,508	$1,173,152,585	$1,187,726,041
Certificates and Treasury notes, 1890, outstanding	833,909,877	853,233,097	859,730,909	867,934,557
Net cash in Treasury	$302,707,657	$311,826,411	$313,421,676	$319,791,484

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report. Names of officers and other particulars regarding these new National banks will be found under the different State headings.

NATIONAL BANKS ORGANIZED.

6898—First National Bank, Knox, North Dakota. Capital, $25,000.
6899—First National Bank, Coeburn, Virginia. Capital, $25,000.
6900—First National Bank, Crawford, Nebraska. Capital, $25,000.
6901—First National Bank, Scribner, Nebraska. Capital, $25,000.
6902—State National Bank, Little Rock, Arkansas. Capital, $100,000.
6903—Staunton National Bank, Staunton, Virginia. Capital, $100,000.
6904—Petaluma National Bank, Petaluma, California. Capital, $100,000.
6905—Farmers' National Bank, Edinburg, Indiana. Capital, $25,000.
6906—First National Bank, Henning, Minnesota. Capital, $25,000.
6907—First National Bank, Sumner, Illinois. Capital, $25,000.
6908—First National Bank, West Allis, Wisconsin. Capital, $25,000.
6909—First National Bank, Dyer, Indiana. Capital, $25,000.
6910—First National Bank, Raymond, Illinois. Capital, $25,000.
6911—City National Bank, Muskogee, Indian Territory. Capital, $100,000.
6912—First National Bank, Butler, New Jersey. Capital, $50,000.
6913—First National Bank, West Middlesex, Pennsylvania. Capital, $25,000.
6914—First National Bank, Neodesha, Kansas. Capital, $30,000.
6915—Planters' National Bank, Whitewright, Texas. Capital, $100,000.
6916—Blackwell National Bank, Blackwell, Oklahoma. Capital, $30,000.
6917—Farmers and Merchants' National Bank, Minneota, Minnesota. Capital, $25,000.
6918—First National Bank, Lake Crystal, Minnesota. Capital, $30,000.
6919—First National Bank, Oroville, California. Capital, $50,000.
6920—Opelousas National Bank, Opelousas, Louisiana. Capital, $50,000.
6921—First National Bank, Le Sueur Center, Minnesota. Capital, $25,000.
6922—First National Bank, Hughes Springs, Texas. Capital, $25,000.
6923—Laurel National Bank, Laurel, Mississippi. Capital, $100,000.
6924—First National Bank, O'Fallon, Illinois. Capital, $25,000.
6925—First National Bank, Bridgewater, South Dakota. Capital, $25,000.
6926—First National Bank, Cowgill, Missouri. Capital, $25,000.
6927—First National Bank, Grangeville, Idaho. Capital, $25,000.
6928—Choctaw-Chickasaw National Bank, Durant, Indian Territory. Capital, $50,000.
6929—National Bank of Ellsworth, Ellsworth, Pennsylvania. Capital, $25,000.
6930—First National Bank, Dickson, Tennessee. Capital, $25,000.
6931—First National Bank, Yorkville, South Carolina. Capital, $50,000.
6932—First National Bank, Hamilton, Kansas. Capital, $25,000.
6933—First National Bank, Grand Meadow, Minnesota. Capital, $25,000.
6934—First National Bank, Hallock, Minnesota. Capital, $25,000.
6935—Miles National Bank, Miles, Texas. Capital, $25,000.
6936—First National Bank, Harvey, Iowa. Capital, $25,000.
6937—First National Bank, Webster, Pennsylvania.
6938—First National Bank, Hopedale, Pennsylvania. Capital, $50,000.

APPLICATIONS TO ORGANIZE NATIONAL BANKS APPROVED.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice:

First National Bank, Sanborn, North Dakota; by C. A. Jones, *et al.*
Greensboro National Bank, Greensboro, Georgia; by L. O. Benton, *et al.*
First National Bank, Erie, Illinois; by Robert L. Burchell, *et al.*
First National Bank of Cherry Tree (Grant, P. O.) Pennsylvania; by R. F. Pitcairn, *et al.*
Jackson National Bank, Jackson, Minnesota; by A. W. Quinn, *et al.*

Citizens' National Bank, Curwensville, Pennsylvania; by E. A. Irwin. *et al.*
Pearsall National Bank, Pearsall, Texas; by C. H. Beever, *et al.*
Henry National Bank, Henry, Illinois; by L. R. Phillips, *et al.*
Deming National Bank, Deming, New Mexico; by T. M. Wingo, *et al.*
Cass County National Bank, Casselton, North Dakota; by N. M. Young, *et al.*
First National Bank, Morgan, Utah; by James Pingree, *et al.*
First National Bank, Charlestown, Indiana; by Jno. F. McCulloch, *et al.*
Exchange National Bank, Perry, Oklahoma; by Fred G. Moore, *et al.*
First National Bank, Perry, Oklahoma; by Geo. M. Ellis, *et al.*
First National Bank, Farmington, Minnesota; by C. L. Bishop, *et al.*
Farmers' National Bank, Burlington, Kansas; by Chas. N. Converse, *et al.*
First National Bank, Covington, Louisiana; by L. Lippman, *et al.*
Northumberland National Bank, Northumberland, Pennsylvania; by M. H. Taggart, *et al.*
National Bank of Commerce, San Antonio, Texas; by J. P. Barclay, *et al.*
American National Bank, Idaho Falls, Idaho; by Bowen Curley, *et al.*
First National Bank, Alvin, Texas; by Sealy Hutchings, *et al.*
First National Bank, Papillion, Nebraska; by A. W. Clarke, *et al.*
Citizens' National Bank, Lansford, Pennsylvania; by J. T. Nusbaum, *et al.*
Citizens' National Bank, Delphi, Indiana; by James A. Shirk, *et al.*
Puritan National Bank, Danielson, Connecticut; by Harry E. Back, *et al.*
Lackawanna National Bank, West Seneca, New York; by L. L. Westbrook, *et al.*
First National Bank, Grove, Indian Territory; by W. M. Charlesworth, *et al.*
National Bank of Commerce, Walters, Oklahoma; by W. H. Allder, *et al.*
First National Bank, Snyder, Oklahoma; by Robert E. Huff, *et al.*
Empire National Bank, Clarksburg, West Virginia; by V. L. Highland, *et al.*
First National Bank, Cucamonga, California; by David S. Barmore, *et al.*
First National Bank, Dry Ridge, Kentucky; by W. T. S. Blackburn, *et al.*
Bessemer National Bank, Bessemer, Alabama; by R. F. Smith, *et al.*
First National Bank, Byars, Indian Territory; by S. L. Williams, *et al.*
American National Bank, Bartlesville, Indian Territory; by H. N. Cook, *et al.*
First National Bank, Remsen, Iowa; by M. R. Faber, *et al.*
First National Bank, Swineford, Pennsylvania; by W. B. Winey, *et al.*
First National Bank, Kerens, Texas; by Travis Holland, *et al.*
Farmers and Merchants' National Bank, Humboldt, Kansas; by O. H. Stewart, *et al.*
Citizens' National Bank, Mansfield, Pennsylvania; by Charles S. Ross, *et al.*

Application for Conversion to National Banks Approved.

State Bank, Fort Morgan, Colorado; into First National Bank.
State Bank, Iona, Minnesota; into First National Bank.
State Bank, Frazee, Minnesota; into First National Bank.
Rock Falls State Savings Bank, Rock Falls, Illinois; into First National Bank.

NEW BANKS, BANKERS, ETC.

ALABAMA.

Birmingham—Title Guarantee Loan and Trust Co.; capital, $200,000; Pres., E. J. Smyer; Treas., E. L. Smith.

ARKANSAS.

Cabot—Bank of Cabot; Pres., W. M. Patton; Cas., C. B. Maxwell.

Fort Smith—Fort Smith Trust Co.; capital, $50,000; Pres., O. E. Carnes; Sec., W. F. Blocker; Treas., J. K. Kimmons.

Hardy—Farmers' Bank (successor to Sharp Co. Bank); capital, $7,500; Pres., S. P. Turner; Cas., A. M. Metcalf.

Little Rock—State National Bank (successor to State Bank); capital, $100,000; Pres., Jos. E. England, Sr.; Cas., Robt. S. Hamilton.

CALIFORNIA.

Monrovia—Granite Bank and Trust Co.; capital, $25,000; Pres., Walter S. Newhall; Cas., C. O. Monroe.

Oroville—First National Bank; capital, $50,000; Cas., C. H. Schiveley.

Placerville—Alderson Banking Co. (successor to Thomas Alderson); capital, $30,000; Pres., Thomas E. Alderson; Vice-Pres., Percy C. Alderson; Cas., John B. Alderson.

Petaluma—Petaluma National Bank; capital, $100,000; Pres., Chas. Martin.

DELAWARE.

Camden—Baltimore Trust Co.; Cas., Jno. B. Monahan.

Wyoming—Baltimore Trust Co.

GEORGIA.

Broxton—Bank of Broxton; capital, $25,000; Pres., J. M. Ashley; Cas., C. E. Baker; Asst. Cas., W. W. Lott.

Hagan—Bank of Hagan; Pres., W. S. Witham; Cas., John B. Chiles.

IDAHO.

Burke—Bank of Burke; Cas., W. H. Smith.

Grangeville—First National Bank; capital, $25,000; Pres., Wallace Scott; Cas., Martin Wagner.

ILLINOIS.

ELIZABETHTOWN—First State Bank (successor to W. R. Warford); capital, $30,000; Pres., Geo. W. Hogan; Cas., E. F. Wall, Jr.

MILMINE—T. O. Holcomb & Co.

O'FALLON—First National Bank; capital, $25,000; Pres., E. H. Smiley; Vice-Pres., Geo. W. Tiedemann; Cas., W. R. Dorris.

RAYMOND—First National Bank; capital, $25,000; Pres., Wm. H. Cass.

ST. JACOB—State Bank; capital, $25,000; Pres., Fred Sohler; Cas., Rufus Pike.

ST. JOSEPH—St. Joseph Bank; capital, $20,000; Pres., F. B. Vennum; Vice-Pres., U. G. Glasscock; Cas., I. S. Peters; Asst. Cas., Mae Peters.

SUMNER—First National Bank (successor to Bank of Sumner); capital, $25,000; Pres., H. J. Boeckmann; Cas., O. A. Fyffe; Asst. Cas., J. W. Vangilder.

INDIANA.

DYER—First National Bank; capital, $25,000; Pres., Henry L. Keelman; Vice-Pres., Henry C. Batterman; Cas., Aug. W. Stommel.

EDINBURG—Farmers' National Bank; capital, $25,000; Pres., Jno. T. Middleton.

WALTON—Bank of Walton; Pres., Thos. F. Collison; Cas., W. F. Cordell; Asst. Cas., Robert F. Cordell.

WANATAH—Pinney's Bank; capital, $50,000; Pres., Wm. E. Pinney; Cas., Paul Nuppnau; Asst. Cas., John L. Jones.

INDIAN TERRITORY.

DURANT—Choctaw-Chickasaw National Bank; capital, $50,000; Pres., F. M. Pirtle; Cas., I. B. Walker.

HENRYETTA—Citizens Bank; capital, $12,500; Pres., Sam Rose; Vice-Pres., I. W. Whitehead; Cas., W. B. Hudson.

KINGSTON—Bank of Helen; capital, $10,000; Pres., F. R. Hedrick; Cas., G. P. Wheeler.

LENAPAH—Lenapah State Bank; Pres., C. M. Woodward; Cas., R. D. Gassner.

MUSKOGEE—City National Bank; capital, $100,000; Pres., D. W. Hogan; Vice-Pres., Geo. K. Williams; Cas., V. R. Coss.

STIGLER—Bank of Stigler; capital, $7,500; Pres., Sam Rose; Cas., Charles C. Sloan.

IOWA.

ANITA—Citizens' Savings Bank; capital, $50,000; Pres., James E. Bruce; Cas., Ed M. Blakesley; Asst. Cas., W. L. Overman.

DALLAS—People's Bank; capital, $10,000; Pres., O. L. Wright; Cas., O. C. James.

DES MOINES—Century Savings Bank; capital $100,000; Pres., W. G. Harvison; Cas., H. M. Whinery.

DURANT—Farmers and Merchants' Savings Bank; capital, $25,000; Pres., Theo. Sindt; Cas., W. H. Crecelius.

HARVEY—First National Bank; capital, $25,000; Pres., Herman Rietveld; Cas., Robert G. Emmel.

HUBBARD—People's Bank; Pres., Geo. R. Long; Cas., H. R. Long; Asst. Cas., G. E. Long.

IDA GROVE—Ida Grove Exchange Bank; Pres., E. P. Smith; Cas., Leonard S. Smith.

KANSAS.

COFFEYVILLE—State Bank.

HAMILTON—First National Bank (successor to State Bank); capital, $25,000; Pres., R. B. Anderson; Cas., Perry Clemans.

LAFONTAINE—Lafontaine State Bank; capital, $10,000; Pres., J. M. Surber; Cas., J. P. Donahue.

NEODESHA—First National Bank; capital, $30,000; Pres., Dugald Stewart; Cas., Wm. Hill.

WEST MINERAL—Mineral Kansas State Bank; capital, $10,000; Pres., Wm. Smith; Cas., James H. Elliott; Asst. Cas., N. C. Perrine.

KENTUCKY.

BIRMINGHAM—Bank of Birmingham; Pres., Chas. E. Smith; Cas., D. M. Hocker.

DUBLIN—Bank of Dublin; capital, $15,000; Pres., A. Thorp; Cas., Milton Boerner.

MILFORD—Milford Bank; capital, $15,000; Pres., Bela Ogdon; Cas., M. W. Dickey.

WILLARD—Bank of Willard; Pres., Jno. M. Webb; Cas., O. H. Burley; Asst. Cas., C. V. Fitch.

LOUISIANA.

OPELOUSAS—Opelousas National Bank; capital, $50,000; Pres., E. B. Dubuisson; Cas., A. Leon Dupre.

MICHIGAN.

EAU CLAIRE—Bank of Eau Claire; capital, $25,000; Pres., W. S. Fatman; Cas., J. M. Wright.

CLARE—J. W. Dunlop's Banking House.

DETROIT—Russell Street Bank.

MEARS—Gardner T. Sands.

SUTTONS BAY—Leelanau County Bank; capital, $10,000; Pres., D. H. Power; Cas., Clyde Morrison; Mgr., W. J. Rachow.

MINNESOTA.

DARFUR—State Bank; capital, $10,000; Pres., J. H. Dickman; Cas., Carl F. Klein.

DOVER—First State Bank (successor to Dover Bank); capital, $10,000; Pres., S. J. Lombard; Cas., E. E. Rank; Asst. Cas., H. Brown.

GRAND MEADOW—First National Bank; capital, $25,000; Cas., G. A. Wright.

HALLOCK—First National Bank; capital, $25,000; Pres., D. E. Tawney; Cas., Charles Dure.

HENNING—First National Bank; capital, $25,000; Pres., F. B. Coon; Cas., H. A. Bruttag; Asst. Cas., J. R. Nims.

LAKE CRYSTAL—First National Bank; capital, $30,000; Pres., G. Guttersen; Cas., J. J. McGuire.

LE SUEURCENTER—First National Bank (successor to Le Sueur Center Bank); capital, $25,000; Pres., L. Patterson; Cas., S. H. Whitney.

MINNEOTA — Farmers and Merchants' National Bank; capital, $25,000; Pres., W. A. Crowe; Cas., E. L. Leland; Asst. Cas., M. F. Ahern.

NORTHOME—First State Bank: capital, $10,-000; Pres., C. W. Hastings; Cas., J. E. Cowan.

ST. JAMES—Security State Bank; capital, $50,000; Pres., W. P. Rempel; Cas., F. E. Veltman.

MISSISSIPPI.

LAUREL—Laurel National Bank: capital, $100,000; Pres., Edward D. Peirce; Cas., C. M. McDonald.

LEAKESVILLE—Bank of Leakesville; capital, $15,000; Pres., E. F. Ballard.

MISSOURI.

COWGILL—First National Bank (successor to Cowgill Bank); capital, $25,000; Pres., James Cowgill; Cas., J. W. Myers.

DE KALB—De Kalb State Bank; capital, $10,-000: Pres., Jno. W. Page: Vice-Pres., S. D. Call: Cas., Walter W. Head.

GREENWOOD—Bank of Greenwood; capital, $10,000; Pres., T. B. Miller; Cas., W. H. Barron, Jr.

REGER—Farmers' State Bank; capital, $5,000; Pres., E. Pritze: Cas., Chester B. Campbell.

ST. JOSEPH—Bank of North St. Joseph; capital, $15,000; Pres., E. A. King; Cas., F. E. Smith; Asst. Cas., E. C. Smith.

ST. LOUIS—United States Trust Co.: capital, $400,000; Pres., B. G. Farrar; Vice-Pres., W. J. Atkinson; Asst. Treas., Eugene Karst; Sec., R. S. Doubleday.

NEBRASKA.

CRAIG—Farmers' State Bank: capital, $12,-000; Pres., Jacob C. Martin; Cas., Everett J. Martin.

CRAWFORD—First National Bank; capital, $25,000; Pres. B. F. Johnson; Cas., C. A. Minich.

MILLIGAN—Farmers and Merchants' Bank (successor to Farmers' State Bank); capital, $8,000: Pres., F. W. Sloan; Cas., Charles Smith, Jr.; Asst. Cas., Benjamin A. Smith.

SCRIBNER First National Bank: capital, $25,000; Pres., F. M. McGiverin; Cas., J. L. Reinard.

NEW JERSEY.

BUTLER—First National Bank; capital, $50,-000; Pres., Chas. A. Wilson; Vice-Pres., H. Vroom Day; Cas., Melvin S. Condit; Asst. Cas., Chas. G. Wilson.

NORTH CAROLINA.

SPARTA—Bank of Sparta; capital, $7,500; Pres., W. C. Fields; Cas., F. J. Carson, Jr.

NORTH DAKOTA.

KNOX—First National Bank; capital, $25,000; Vice-Pres., John H. McIntyre; Cas., J. A. Minckler.

LEONARD—First State Bank; capital, $10,000; Pres., James K. Banks; Vice-Pres., W. S. Goddard; Cas., W. F. Redmon.

MCKINNEY—First State Bank; capital, $10,-000; Pres., E. J. Weiser; Vice-Pres., P. Bertelson; Cas., David Clark, Jr.

NORTHFIELD—First State Bank of Hampden; capital, $10,000; Pres., Julius Rosholt; Cas., F. R. Swarthout; Asst. Cas., Jacob L. Rosholt.

OHIO.

HOPEDALE - First National Bank: capital, $50,000; Pres., Wm. J. Stringer.

MILLEDGEVILLE--Milledgeville Bank: capital, $5,000; Pres., Charles E. Ford; Cas., W E. Smith; Asst. Cas., Marie Smith.

PORTSMOUTH — Security Savings Bank and Trust Co.: capital, $100,000: Pres., Geo. D. Selby; Sec., H. W. Heer; Treas., W. D. Horr.

ST. MARYS—St. Marys Banking and Trust Co.; capital, $60,000; Pres., O. E. Dunan; Vice-Pres., L. G. Neely; Treas., R. B. Gordon; Sec., H. G. McLain.

OKLAHOMA.

AUTWINE—Farmers' State Bank; capital, $10,000; Pres., F. C. Spalding; Cas., H. E. Christensen; Asst. Cas., A. M. Christensen.

BLACKWELL—Blackwell National Bank (successor to Bank of Blackwell): capital, $30,-000; Pres., J. M. Skelton; Cas., J. W. Morse.

FAIRVIEW—First State Bank; capital, $10,-000; Pres., S. T. Goltry; Vice-Pres., David Story; Cas., Arthur Hess.

PENNSYLVANIA.

AUSTIN—Bank of Austin; capital, $50,000; Pres., N. N. Metcalf; Vice-Pres., F. E. Baldwin; Cas., R. I. Thompson.

ELLSWORTH—National Bank of Ellsworth; capital, $25,000; Vice-Pres., A. A. Augustus; Cas., H. J. Millar.

HOMESTEAD—Homestead Savings Bank and Trust Co.; capital, $125,000; Pres., G. M. Hall; Vice-Pres., Peter Fry and W. S. B. Hays; Treas., Hugh Nevin.

NEW KENSINGTON—Logan Trust Co. (successor to New Kensington Bank); capital, $125,000; Pres., Alex W. Logan; Vice-Pres., Charles Parker; Treas., Joseph R. Alter; Sec., John McCarthy Kennedy.

PITTSBURG—Mt. Washington Savings and Trust Co.; capital, $150,000; Pres., C. C. Boehmer; Vice-Pres., Daniel Hill; Treas., W. W. Hill.

WEBSTER—First National Bank; Pres., R. A. Rankin.

WELLSBORO — Tioga County Savings and Trust Co.; capital, $125,000; Pres., Hugh Young; Vice-Pres., L. L. Bailey; Treas., Henry C. Cox.

WEST MIDDLESEX — First National Bank; capital, $25,000; Pres., L. A. Burnett; Vice-Pres., W. W. Johnson; Cas., F. S. Fish.

SOUTH CAROLINA.

BISHOPVILLE—People's Bank; capital, $25,-000; Pres., W. C. Rogers; Vice-Pres., T. E. Davis; Cas., Julien C. Rogers.

COLUMBIA — Columbia Trust Co.: capital, $100,000; Pres., Henry Parsons; Vice-Pres., J. L. Minnaugh; Treas., E. W. Robertson.

YORKVILLE—First National Bank; capital, $50,000; Cas., R. C. Allein.

SOUTH DAKOTA.

ARTESIAN — Security State Bank; capital, $10,000; Pres., W. Z. Sharp; Vice-Pres., J. E. Whiting; Cas., A. E. Buck; Asst. Cas., Fred. M. Ryan.

BRIDGEWATER—First National Bank (successor to Bank of Bridgewater); capital, $25,-000; Pres.. E. L. Abel; Cas., T. J. Shanard.

FARMER - State Bank; capital, $6,000; Pres., N. J. Brockmann; Vice-Pres., M. D. Gates; Cas., Frank A. Gates; Asst. Cas., V. H. Masters.

LEAD—Miners and Merchants' Savings Bank; capital, $25,000; Pres., Geo. F. Porter; Vice-Pres., Geo. B. Thompson; Cas., J. J. Morrow; Asst. Cas., H. E. Robinson.

ORIENT—Orient State Bank: capital, $5,000: Pres.. F. R. Gardner; Vice-Pres., W. T. Gardner: Cas., N. A. Gardner.

TENNESSEE.

BROWNSVILLE—People's Savings Bank; capital, $25,000.

DICKSON—First National Bank; capital, $25,-000; Pres., Pitt Henslee; Cas., S. E. Hant.

TEXAS.

HUGHES SPRINGS — First National Bank; capital, $25,000; Pres.. C. H. Morris; Cas., J. M. Mitchell.

MART—Mart Loan and Trust Co.; capital, $10,000; Pres., A. M. Kennedy.

MILES—Miles National Bank: capital, $25,000; Pres., Henry Wilks Robinson; Cas., Arthur Howard Lewin.

WHITEWRIGHT—Planters' National Bank; (successor to Planters' Bank); capital, $100,-000: Pres., W. O. Womack; Cas., J. W. Ashley; Asst. Cas., Guy Hamilton.

VIRGINIA.

COEBURN—First National Bank; capital, $25,-000; Pres., J. W. Bell; Vice-Pres., H. Hardaway; Cas., C. J. Carpenter.

GRUNDY—Bank of Grundy; Pres., J. H. Stinson; Cas., W. L. Dennis.

STAUNTON—Staunton National Bank: capital, $100,000; Pres., B. E. Vaughan; Cas., G. G. Child.

WASHINGTON.

LEAVENWORTH—Tumwater Savings Bank: Pres., L. Lamb; Vice-Pres., P. Davis; Cas., W. H. Hadley.

WISCONSIN.

AUBURN—First State Bank; capital, $5,000; Pres., C. W. Gardner: Vice-Pres., C. E. Best; Cas., J. W. Gray.

BANGOR—Bangor State Bank: capital, $15,-000; Pres., I. H. Richardson; Vice-Pres., Wm. Smith; Cas., J. E. Fencel.

BELLEVILLE - Citizens' State Bank; capital, $10,000; Pres., S. E. Miller; Vice-Pres.: E. C. Morse; Cas., Ed. C. Story; Asst. Cas., John Hosken.

BLACK CREEK—Bank of Black Creek; capital, $10,000: Pres., Wm. Strassburger; Vice-Pres., Peter Ryser; Cas., G. H. Peters.

KENDALL — Kendall State Bank; capital, $5,000; Pres., G. R. Hill; Vice-Pres., O. R. Holmes; Cas., L. H. Felker; Asst. Cas., Chas. Marquette.

LINDEN—Bank of Linden; capital, $10,000; Pres., John Harker; Vice-Pres., S. B. Harker; Cas., J. B. Harker.

MIDDLETON—Bank of Middleton; capital, $25,000; Pres., W. F. Pirestorff; Vice-Pres., Louis Watzke; Cas., W. H. Pirestorff.

WEST ALLIS—First National Bank; capital, $25,000; Pres., S. McCord; Cas., L. G. Baker.

CANADA.

MANITOBA.

ARDEN—Merchants' Bank of Canada; Geo. S. Harrison, Mgr.

NOVA SCOTIA.

SPRING HILL—Union Bank of Halifax; J. W. Murray, Mgr.

ONTARIO.

FRANKFORD—Molsons Bank.

HAILEYBURG—Union Bank of Canada; J. S. Hiam, Mgr.

CHANGES IN OFFICERS, CAPITAL ETC.

ARIZONA.

TOMBSTONE — First National Bank; J. A. Howell, Asst. Cas.

ARKANSAS.

FORT SMITH—American National Bank: A. S. Dowd, Asst. Cas. in place of W. A. Campbell.

VAN BUREN—Citizens' Bank: R. E. Brown, Cas., deceased.

CALIFORNIA.

LOS ANGELES—Farmers and Merchants' National Bank; capital increased to $1,500,000; surplus increased to $1,000,000.——Los Angeles National Bank; Geo. E. Bittinger, Cas.——Southwestern National Bank; A. B. Jones, Cas.

RIVERSIDE—First National Bank: Stanley J. Castleman, Cas. in place of G. E. Bittinger; M. M. Millice and T. D. Hurd, Asst. Cas.——Riverside Savings Bank and Trust Co.; W. H. Robinson, Cas. in place of Stanley J. Castleman.

CONNECTICUT.

NEW HAVEN—Mechanics' Bank; S. Fred. Strong, Cas.

PUTNAM—Thompson Savings Bank; Oscar Tourtelotte, Pres. in place of John Elliott, deceased.

FLORIDA.

WEST PALM BEACH—Dade County State Bank; capital increased to $40,000.

GEORGIA.

FITZGERALD — Bowen Banking Co.; title changed to Exchange Bank; capital increased to $50,000.

ILLINOIS.

PEORIA—Peoria National Bank; L. F. Houghton, Cas. in place of H. T. Bartlett.

SPARTA—Merchants' Exchange Bank: capital increased to $50,000.

TUSCOLA—First National Bank; S. Y. Whitlock, Cas. in place of F. W. Hammond; no Asst. Cas. in place of S. Y. Whitlock.

INDIANA.

DUNKIRK—First State Bank; John W. Webster, Jr., Cas. in place of C. W. Smalley, resigned.

LOWELL—State National Bank; John A. Kimmet, Vice-Pres. in place of A. A. Gerrish, deceased; H. M. Johnson, Asst. Cas. in place of P. A. Berg.

INDIAN TERRITORY.

SPOKOGEE—First National Bank; J. H. Swofford, Vice-Pres.; Horace Wilson, Cas.

IOWA.

BUFFALO CENTER—First National Bank; R. C. Ballstadt, Cas. in place of A. W. Winden.

CEDAR RAPIDS—Citizens' National Bank; J. L. Bever, Jr., Asst. Cas.

DECORAH—Winneshiek County State Bank; E. W. D. Holway, Vice-Pres.; R. Algyer, Cas. in place of E. W. D. Holway.

DYSART—First National Bank; H. J. Von Lackum, Pres. in place of Oscar Casey; Oscar Casey, Cas. in place of C. J. Miller.

GREENE—Merchants' National Bank; J. B. Shepardson, Vice-Pres.; D. H. Ellis and C. H. Williams, Asst. Cas.

IOWA FALLS—State Bank; Cyrus P. Richmond, Asst. Cas.

STATE CENTER—Bank of State Center; W. N. Gilbert, Pres.

KENTUCKY.

LOUISVILLE—Louisville National Banking Co.; S. Thurston Ballard, Vice-Pres. in place of John E. Sutcliffe, deceased.

OLIVE HILL—Olive Hill Bank; capital increased to $25,000.

LOUISIANA.

AMITE CITY—People's Bank; capital increased to $50,000.

NEW IBERIA—State National Bank; H. L. Smith, Vice-Pres.; H. E. Suberbeille, Asst. Cas.

MAINE.

LEWISTON—First National Bank; Geo. W. Goss, Asst. Cas.

MASSACHUSETTS.

BOSTON—Mount Vernon National Bank; no Vice-Pres. in place of J. Adams Brown.

CAMBRIDGE—National City Bank; Frank L. Earl, Cas. in place of Henry B. Davis.——Cambridge Trust Co.; Geo. Howland Cox, Vice-Pres. and Treas. in place of Louis W. Cutting, resigned.

MARBLEHEAD—Marblehead Savings Bank; William F. Nutting, Treas. in place of William Gilley, deceased.

WALTHAM—Waltham National Bank; H. P. Buncher, Act. Cas.

MINNESOTA.

BRECKENRIDGE — Breckenridge National Bank; F. F. Hanson, Cas. in place of S. D. Balch.

BRICELYN—First National Bank; P. M. Joice, Pres. in place of David Secor; no Vice-Pres. in place of P. M. Joice; Geo. O. Halvorson, Asst. Cas.

ROYALTON—First National Bank; A. C. Wilson, Pres. in place of A. H. Turrittin.

MISSOURI.

KIRKSVILLE—Baird National Bank; A. H. Smith, Asst. Cas.

UNION—Bank of Union; Charles F. Gallenkamp, Pres.

MONTANA.

DILLON—First National Bank; J. H. Gilbert, Cas. in place of R. A. Sullivan; no Asst. Cas. in place of J. H. Gilbert.

NEBRASKA.

ELK CREEK—State Bank; Frank Snethen, Cas., resigned.

GENOA—Genoa National Bank; D. A. Willard, Vice-Pres.; A. M. Mollen, Asst. Cas.

HUMBOLDT—First National Bank; Frank Snethen, Pres. in place of F. M. Samuelson.

SOUTH OMAHA — South Omaha National Bank; H. C. Bostwick, additional Vice-Pres.; C. B. Anderson, Cas. in place of H. C. Bostwick.

NEW JERSEY.

CAPE MAY—First National Bank; Frank S. Lloyd, Cas. in place of Geo. M. Hendricks.

DOVER—Dover Trust Co.; E. W. Rosevear, Sec. and Treas. in place of H. M. George; H. M. George, Vice-Pres.

JAMESBURG — First National Bank; F. E. Nodoker, Act. Cas. in place of I. S. Chamberlain.

NEW MEXICO.

TUCUMCARI—First National Bank; J. Taylor Bradley, Pres. in place of John A. Hughes.

NEW YORK.

ALBION—Orleans County National Bank; Wm. B. Dye, Pres. in place of Charles E. Hart.

CHATHAM—State Bank; Herbert A. Humphrey, Cas.

LYONS—Lyons National Bank; Dwight P. Chamberlain, Pres., William H. Akenhead, Asst. Cas.

MILFORD—Milford National Bank; Frank Bridges, Cas. in place of John R. Kirby, resigned.

NEW YORK—Equitable National Bank: Carl Rudolph Schultz, Pres. in place of Charles A. Nones.

UTICA—First National Bank; capital increased from $800,000 to $1,000,000.

YONKERS—Citizens' National Bank; absorbed by Westchester Trust Co.: Peter J. Elting elected President of Westchester Trust Co. in place of John Hoag.

NORTH DAKOTA.

DEVIL'S LAKE—Ramsey County National Bank: Blanding Fisher, Cas. in place of Geo. Juergens; A. W. Haig, Asst. Cas. in place of G. W. Strawbridge.

OHIO.

CLEVELAND—Coal and Iron National Bank; absorbed by First National Bank.

COLUMBUS—American Savings Bank: Ralph Lazarus, Vice-Pres., deceased.

DAYTON — Fourth National Bank: W. F. Hockett, Act. Cas. in place of C. L. Hardman.

ZANESVILLE—First National Bank; W. P. Sharer, Cas. in place of Geo. H. Stewart; no Asst. Cas. in place of W. P. Sharer.

OKLAHOMA.

CARNEGIE—Citizens' Bank; capital increased to $10,000.

CUSHING—Bank of Cushing: capital increased to $15,000.

GAGE—Bank of Gage; capital increased to $15,000.

HOBART - First National Bank: A. J. Dunlap, additional Vice-Pres.; N. E. Medlock, Cas. in place of E. C. Borchers.

OKLAHOMA CITY—American National Bank; E. F. Sparrow, Pres. in place of J. S. Corley; Geo. G. Sohlberg, Vice-Pres. in place of S. E. Moss; no 2d Vice-Pres. in place of Geo. G. Sohlberg; F. P. Johnson, Cas. in place of A. E. Ashbrook.

SHAWNEE—Bank of Commerce; W. S. Search, Pres.

PENNSYLVANIA.

HOMESTEAD—First National Bank; J. O. Miller, Cas. in place of J. B. Neel; C. W. Morton, Asst. Cas.

MOUNTVILLE—Mountville National Bank; J. H. Witner, Cas. in place of C. S. Mellinger.

PITTSBURG—Diamond National Bank; William Price, Pres. in place of John S. Scully.

READING - Farmers' National Bank: W. L. Davis, Cas. in place of R. M. Hoffman; R. S. Meck, Asst. Cas.

TURTLE CREEK—National Bank of Turtle Creek: H. E. Schenck, Cas. in place of W. H. Meyer.

SOUTH CAROLINA.

GREENVILLE—City National Bank; J. Wilkins Norwood, Pres. in place of George A. Norwood.

TENNESSEE.

MANCHESTER—Coffee County Bank; absorbed by First National Bank.

ROGERSVILLE—Hawkins County Bank and Citizens' Bank; reported consolidated.

TEXAS.

AMARILLO—First National Bank; J. S. Chesnutt, Asst. Cas.

CALDWELL — First National Bank; Ford Brandenburg, Cas. in place of E. Studemann; no Asst. Cas. in place of J. W. Saunders.

GROESBECK—Citizens' National Bank; G. V. McClintic, Vice-Pres. in place of J. P. Morris; J. P. Morris, Cas. in place of Dan Parker.

MADISONVILLE—First National Bank; John S. Kennedy, Cas. in place of D. H. Shapira.

SEGUIN—First National Bank; R. W. Enck, Cas. in place of Edgar L. Gerhard.

VIRGINIA.

ROANOKE—First National Bank; J. T. Meadows, Cashier in place of John W. Shields, deceased.

WEST VIRGINIA.

BELINGTON—Citizens' National Bank; Fred Evans, Asst. Cas.

POINT PLEASANT—Merchants' National Bank of West Virginia; title changed to Merchants' National Bank.

WELLSBURG—Wellsburg Banking and Trust Co.; Samuel George, Pres., deceased.

WISCONSIN.

CUMBERLAND—Island City Bank: reorganized as Island City State Bank; capital, $5,000; Fred W. Miller, Pres.; Lewis Larson, Vice-Pres. and Cas.; A. L. Morken, Asst. Cas.

GREEN BAY—McCartney National Bank: capital increased to $50,000.

WYOMING.

CASPER—Casper National Bank; J. de F. Richards, Vice-Pres.; Maud Bohner, Asst. Cas.

DOUGLAS—First National Bank; J. de F. Richards, Pres. in place of D. F. Richards, deceased; no Vice-Pres. in place of J. de F. Richards; T. C. Rowley, Asst. Cas. in place of J. de F. Richards.

CANADA.

ONTARIO.

MARMORA—A. W. Carscallen; succeeded by A. W. Carscallen & Co.

NORTHWEST TERRITORY.

CALGARY—Union Bank of Canada; A. S. Jarvis, Mgr.

INDIAN HEAD—Union Bank of Canada; E. E. Code, Mgr. in place of A. S. Jarvis.—Bank of Hamilton; J. Sproat, Mgr. in place of R. R. Macleod.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ARKANSAS.

DEVALL BLUFF—Bank of Devall Bluff.

INDIANA.

ANGOLA—Kinney & Co.

IOWA.

PISGAH—Bank of Pisgah.

MICHIGAN.

PLYMOUTH—First National Exchange Bank; in voluntary liquidation August 20.

MINNESOTA.

CARLTON—Commercial Banking Co.

CLOQUET—Bank of Cloquet.

DULUTH—Merchants' Bank.——Commercial Banking Co.

MONTGOMERY — Farmers and Merchants' Bank.

NEW JERSEY.

RED BANK — Navesink National Bank; in hands of Receiver August 14.

NEW YORK.

NEW YORK—Sharp & Bryan.——Hurlbutt, Hatch & Co.

YONKERS—Citizens' National Bank; in voluntary liquidation August 1; absorbed by Westchester Trust Co.

NORTH CAROLINA.

NEWBERN—Farmers and Merchants' Bank.

OHIO.

CLEVELAND—Coal and Iron National Bank; in voluntary liquidation August 15.

NEW HOLLAND—Union Banking Co.

PENNSYLVANIA.

DOYLESTOWN—Doylestown National Bank; in hands of Receiver July 30.

FAYETTE CITY—First National Bank; in voluntary liquidation August 1.

ULYSSES—Bank of Ulysses.

TENNESSEE.

DOVER—Stewart County Bank.

HENDERSON—Bank of Henderson.

TEXAS.

BEAUMONT — Citizens' National Bank; in hands of Receiver August 20.

FROST—Bank of Frost.

GROESBECK—Groesbeck National Bank; in hands of Receiver August 22.

HUBBARD—Allen & Oliver.

THORNTON—Barron Banking Co.

WISCONSIN.

BANGOR—Farmers and Merchants' Bank.

Programme of American Bankers' Association.—The bankers of San Francisco are arranging a most interesting, instructive and enjoyable programme of entertainment. Wednesday evening there will be a steamer trip in the Bay of San Francisco to the Golden Gate, visiting the most important points of interest. Thursday afternoon a theatre party, Thursday evening an informal athletic entertainment, and on Friday afternoon a choice of trips to Mount Tamalapais, or Stanford University, Lick Observatory and San Jose, or to the Swiss Colony vineyards.

"We can positively assert," says secretary Branch in his announcement to members, "that professional criminals are selecting for attack banks not members of this association, Out of a membership of nearly 7,000 there have been 85 attacks on our members since 1895, resulting in a total loss of $70,526.51. In the same space of time 553 non-members have been attacked, resulting in a loss of $697,383.11. Besides our protective feature, energetic, active and watchful committees are working on the subjects of 'Education of Bank Clerks' and 'Uniform Laws.' Owing to the work of our Fidelity Committee our members are receiving annually a reduction of $150,000 on their fidelity bonds."

The trust company section will hold a special meeting at 10 o'clock A. M. October 20 at the California Theatre to discuss matters of particular interest to trust companies. The Savings bank section will hold their meeting in the "Maple Room" at the Palace Hotel at 3 P. M. October 20. The section has prepared a most interesting programme for Savings bank men, and this meeting will, no doubt, be largely attended.

Seven hundred and forty-one banks have joined since September 1, 1902, making a total paid membership at the present time of 6,921. The officials would like to report to the next convention an addition of one thousand members. This figure cannot be reached unless the individual members of the association use their personal influence with correspondents not on the roll.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

New York, September 1, 1903.

A further decline in prices at the New York Stock Exchange, followed, however, by a recovery in August, made a majority of stocks touch the lowest point recorded since 1901. There has probably never been so sweeping a decline at any previous time with less disastrous results than that which has occurred during the present year. When full account is taken of the extraordinary speculation which prevailed two years ago, and of the fact that ordinarily operations in stocks are conducted on a margin of ten per cent., it is one of the most remarkable features of the situation that the fall in prices last year and this has seemingly had no fatal effects.

The lowest prices of the year were recorded for the majority of stocks during the last month. A part of the decline was recovered during the last half of the month, although there has been no pronounced upward movement and the stock market at the close of the month was quiet. The extent of the decline since January 1 and the recovery from the lowest prices recorded are shown in the following table, giving a list of sixty stocks in which the declines as a rule were the largest.

	Decline from highest in 1902.	*Recovery from lowest in August.*
	p. c.	p. c.
Atchison	35⅞	10¼
Atchison, pref	18½	6⅛
Baltimore and Ohio	26¾	6
Brooklyn Rapid Transit	33⅝	9½
Canadian Southern	20½	2½
Central of New Jersey	32	4¾
Chesapeake and Ohio	26½	6¾
Chic., Mil. and St. Paul	50	10
Chic. and Northwestern	70	12
Chic., St. Paul, Mil. and Omaha	45	8
Chic., Cinn., Clev. and St. Louis	33⅜	7⅛
Colorado Fuel and Iron	42⅜	18⅜
Colorado Southern	20⅜	3½
Consolidated Gas	58	14½
Delaware and Hudson	34½	16
Del., Lack. and Western	33½	5
Denver and Rio Grande	23	5½
Erie	19⅝	7⅝
Evansville and Terre Haute	31½	9¾
Great Northern, pref	44	10
Hocking Valley	40¾	5
Illinois Central	24⅞	7¾
Iowa Central, pref	45⅞	8
Kansas City Southern, pref	28¾	7¼
Lake Erie and Western	28	7
Louisville and Nashville	32⅜	7⅞
Manhattan	28¼	8¾
Metropolitan Street	34⅞	10
Mexican Central	16	1⅛
Minneapolis and St. Louis	61	12
Missouri, Kansas and Texas	28	7¼
Missouri Pacific	30½	9
New York Central	39¾	6⅝
New York, Chic. and St. Louis	35	5
North American	54½	8⅜
Pacific Mail	25¾	5
Pennsylvania	38½	5¾
Reading	24⅝	11⅛
Rock Island	34⅛	9¾
St. Louis and San Fran., 2d pref.	35¼	8
St. Louis & Southwest'rn, pref.	42	11¼
Southern Pacific	29½	7
Southern	19¾	5¾
Tennessee Coal and Iron	36	10½
Texas and Pacific	23⅜	7¼
Union Pacific	39½	10⅝
Wabash, pref	26	6¾
Wisconsin Central, pref	20½	5½
Amalgamated Copper	38⅝	12⅞
American Sugar	25¾	8
Anaconda Copper	59½	20
Continental Tobacco, pref	24¼	9¼
General Electric	55¾	16¾
Pressed Steel Car	32¾	9⅞
Republic Iron and Steel	21⅜	8
Rubber Goods, pref	22½	14
United States Leather, pref	22¾	7¾
United States Rubber, pref	25⅞	10⅜
United States Steel	19½	2⅛
United States Steel, pref	22¾	4

Following a heavy drop in values in 1901, there have been since January 1 declines ranging from twenty to more than fifty per cent. in more than one-half of the stocks dealt in at the New York Stock Exchange. Stocks intrinsically the most valuable have suffered equally with stocks of little or no value. There must have been very severe individual losses, yet failures have been comparatively few, and the evidence of over-trading in the past is not to be found in the record of calamities which usually result when a great rise in values is suddenly followed by an extensive break.

It is difficult to escape the conclusion that much of the speculation which raged in Wall street for so long was supplied with profits obtained in business and industries outside of the street. People have speculated with money which they could lose without inviting bankruptcy. This would account for the small measure of disaster which the decline has produced.

A casual inspection of the foregoing table will establish the fact that the declines were irrespective of the merits of the properties. As to the future of prices it would be rash to venture any prediction. There is some uneasiness evidenced, although it relates to the probable action of operators who may be disposed to work for a further decline.

Regarding the general conditions which exercise a legitimate influence upon values, it may be said that they are in the main favorable. Some uncertainty still exists regarding the crops, and at least a month must elapse before estimates regarding the corn yield will have a basis of accurate data. The crop is late and some of it is in danger of an early frost, yet a 2,000,000,000 bushel yield is still possible. The winter wheat crop is about all harvested and will probably exceed the yield of 1902 by 20,000,000 bushels. Spring wheat will make a less favorable showing, still the combined crop will come pretty close to the yield of last year. The cotton crop stands in danger of an early frost, but should it escape that menace a fair yield seems to be likely.

The money required to move the crops will probably be forthcoming without causing any serious stringency. From the course taken by sterling exchange last month it would appear that any substantial advance in rates for money would bring gold from abroad. Rates for sterling dropped very close to the gold-importing point for a while.

The Secretary of the Treasury has been making some provision for the autumn demand for money by segregating the internal receipts which he is permitted by law to deposit with National banks. He has on hand about $40,000,000 of these receipts, which he has not turned into the Treasury, but has placed in the custody of the United States Treasurer. Should there be any pressing need for money during the next month or two it is understood that the money will be deposited with the National banks. In that event it is probable that the banks will be authorized to deposit other securities than Government bonds, as was done last year.

The Government now has a balance of $232,000,000, of which $152,000,000 is in National bank depositaries. An additional deposit of $40,000,000 would still leave $40,000,000 as a working balance in the Treasury.

The railroads continue to report veay large earnings, in fact the gain shown in the first six months of the current year is the largest ever reported for a similar period. As compiled by the "Financial Chronicle," the gross earnings of 151 roads in the six months ended June 30 were nearly $728,000,000, as against $638,000,000 in the previous year, an increase of $90,000,000. Net earnings, however, have failed to show a proportionate increase, being $218,000,000, against over $198,000,000 last year, a gain of less than $20,000,000. When comparison is made with previous years the showing is distinctly unfavorable. The gains in gross and net earnings for the first half of each year since 1898 are shown as follows:

	Increase in gross earnings.	Increase in net earnings.
1898	$19,931,689	$17,690,035
1899	27,516,712	10,053,539
1900	70,788,316	25,126,969
1901	57,912,838	26,723,180
1902	38,904,639	7,722,906
1903	90,232,528	19,767,230

The increase in net earnings was only 20 per cent. of the increase in gross earnings in 1902 and 22 per cent. in 1903, while in 1898 it was 36 per cent., in 1899 43 per cent., in 1900 35 per cent. and in 1901 46 per cent.

The increase in wages and in cost of material has been an important factor in preventing the increase in net earnings. It is estimated that the railroads of the country last year paid for wages alone $100,000,000 more than in the previous year, one-half of which represents an advance in the rate of wages.

Many of the railroads, however, make a splendid showing of earnings and surplus and several have increased the rate of dividends paid their shareholders. A notable instance last month was the Canadian Pacific, which raised its dividend from a basis of 5 per cent. to 6 per cent. per annum. Its surplus earnings applicable to dividends in the year ended June 30, 1903, were nearly $10,000,000, as against $7,500,000 in 1902 and $5,600,000 in 1901.

The Union Pacific is another road which has made a very favorable report for the year ended June 30, 1903. It shows a surplus of $15,297,243, as compared with $14,502,594 in the previous year. After paying dividends on preferred and common stock the surplus was $6,964,159, an increase of $648,000 over the previous year.

It is estimated that nearly $57,000,000 will be disbursed for interest and dividends by railroad and other corporations in September as compared with about $51,000,000 last year, $40,500,000 in 1901, $38,000,000 in 1900 and $23,500,000 in 1902.

An interesting event of the month was the advance in the price of silver to the highest point reached in nearly two years.

The question of currency legislation by the approaching Congress has received considerable attention recently by men prominent in the affairs of the Government. At the present time there seems to be little prospect of any important action by Congress, if for no other reason than that it is not good politics to meddle with so important a subject as the currency on the eve of a presidential campaign. The policy of letting well enough alone is one which appeals very strongly to statesmen at a time when they are about to appeal to the suffrage of their constituents.

It will be difficult to convince many that legislation is necessary. There has been a very great expansion in our circulating medium in recent years. The money in circulation now exceeds $2,380,000,000, an increase in one year of $120,000,000 and of more than $530,000,000 in the last five years. A considerable part of the increase has been in National bank notes, and the limit of expansion in that direction has again been reached. There was an increase in that portion of our currency of $55,000,000 in the past year and of $177,000,000 since 1898. Statistically there is plenty of money and this fact is of itself an obstacle in the way of securing legislation as to the currency even on reformatory lines.

While there are very serious defects in our currency system, and it is admittedly unscientific, it is nevertheless true that the currency as a whole has been put upon a more solid basis than supported it a few years ago. And this is the fact notwithstanding that the tendency is to make paper the sole currency in use. Coin except in fractional denominations is little used. Of $1,255,000,000 gold coin estimated to be in the country only about $620,000,000 is in circulation and one-half of that amount is in the possession of banking institutions. Of $555,000,000 silver dollars in existence only about $70,000,000 is outside of the United States Treasury. In the last five years the increase in gold and silver certificates and National bank notes has raised the proportion of paper to sixty-seven per cent. of the total, an increase of ten per cent. In the following table the amount of the various forms of money classified as to paper and coin, is shown during five-year periods since 1878:

	June 30, 1878.	*June 30, 1883.*	*June 30, 1888.*	*June 30, 1893.*	*June 30, 1898.*	*June 30, 1903.*
Legal-tenders...	$274,660,895	$310,182,177	$294,282,812	$320,875,683	$286,572,829	$336,591,372
Currency certif.	46,245,000	13,060,000	14,415,000	11,935,000	26,045,000	....
Treas. notes, 1890	....	....	....	140,661,694	98,665,580	19,109,670
Gold certif.....	24,897,680	59,807,370	119,887,870	92,970,019	35,820,639	379,043,889
Silver certif.....	7,080	72,620,686	200,887,376	326,489,165	390,659,060	455,079,538
Nat. bank notes	310,129,887	347,855,146	245,149,720	174,731,139	223,129,703	400,408,189
Total paper...	$655,940,542	$803,525,379	$874,122,278	$1,067,662,700	$1,060,892,331	$1,590,232,658
Gold coin........	$84,739,774	$344,653,495	$392,066,854	$403,633,700	$660,959,850	$621,545,146
Silver dollars....	855,143	35,341,880	55,545,303	57,029,743	57,259,791	72,349,806
Fract'nal silver.	64,918,822	52,474,299	50,354,635	65,400,268	64,323,747	92,195,600
Total coin.....	$150,513,239	$432,469,674	$497,966,792	$526,063,711	$782,543,418	$786,090,552
Total cur'ncy.	806,453,781	1,235,995,053	1,372,089,070	1,593,726,411	1,843,435,749	2,376,323,210

The proportion of paper money in 1878 was eighty-one per cent. of the total, but at each of the other dates mentioned in the table it was less than in 1903. In five years last past the increase in paper was nearly $530,000,000 and in coin less than $4,000,000. While, however, the ratio of paper has increased our currency has been steadily approaching a gold basis. Nearly fifty per cent. of our currency is now secured by gold, while of the remainder one-half is based on silver and about one half is unsecured, or based upon Government bonds. In the following table is shown the amount of our circulating medium based on gold and silver and the amount not so secured:

June 30.	Based on gold.		Based on silver.		No specie basis.	
	Amount.	*Per cent.*	*Amount.*	*Per cent.*	*Amount.*	*Per cent.*
1878........................	$109,637,454	13.59	$65,780,545	8.16	$631,035,782	78.25
1883........................	404,460,865	32.72	160,436,865	12.98	671,097,823	54.30
1888........................	511,954,224	37.31	306,287,314	22.32	553,847,532	40.37
1893........................	496,603,719	31.16	589,580,870	36.99	507,541,822	31.85
1898........................	696,780,519	37.80	610,908,198	33.14	535,747,032	29.06
1903........................	1,150,589,035	48.42	638,734,614	26.88	586,999,561	24.70

For 1903 we have counted $150,000,000 of legal tender notes as based on gold, the act of 1900 having established a gold reserve of that amount which the Secretary of the Treasury is required to hold against those notes. More than $1,150,000,000 of our currency now consists of gold coin or paper against which gold is held for the full amount of the notes. The ratio has increased from 13.59 per cent. to 48.42 per cent.

Silver coin or paper issued against silver is now only 26.88 per cent. of the total, as against 33.14 per cent. in 1898 and 36.99 per cent. in 1893. The notes having no specie basis represent only 24.70 per cent. of the total, and the ratio has steadily declined since 1878 when it was 78.25 per cent. As $400,000,000 of these notes are issued by the National banks which have deposited Government bonds as security, only about $186,000,000 or eight per cent. are unsecured.

Some bank failures have occurred during the past month caused by bad investments or by individual dishonesty. Confidence in the banks of the country has not been shaken, however, and at no previous time have they apparently been financially sounder than now. We are largely dependent upon the reports of the National banks for data which comprehend the banking interests of the entire country and these indicate that in the recent years of prosperity those institutions have greatly strengthened their position.

The accompanying table shows the capital, surplus and undivided profits, deposits including amounts due banks but not Government deposits, and cash and reserves including amounts due from banks, as or about July 1 yearly since 1892:

JULY 1.	*Capital.*	*Surplus and profits.*	*Deposits.*	*Cash, reserves and due from banks.*
1892	$684,678,208	$326,467,360	$2,309,166,260	$918,925,292
1893	685,786,719	343,082,950	1,921,654,226	733,336,526
1894	671,091,165	330,296,968	2,211,595,188	934,930,304
1895	658,224,180	329,004,137	2,162,695,045	893,562,861
1896	651,144,855*	331,851,631	2,122,715,462	801,286,103
1897	632,153,042	330,267,222	2,367,465,370	982,199,783
1898	622,016,745	332,971,643	2,743,174,001	1,128,870,668
1899	604,865,327	342,321,752	3,454,562,376	1,428,227,108
1900	621,536,461	391,547,835	3,520,997,061	1,401,766,345
1901	645,719,099	416,739,818	4,148,653,821	1,681,500,988
1902	701,990,554	482,377,443	4,341,775,403	1,685,430,370
1903	743,506,048	542,183,538	4,413,240,002	1,633,065,740

Since 1895 the ratio of surplus to capital has increased each year. It was only forty eight per cent. in 1892, fifty per cent. in 1893, forty nine per cent. in 1894, and fifty per cent. in 1895. By 1899 it had increased to fifty six per cent. and in 1900 it was sixty-three per cent., in 1901 sixty-five per cent. in 1902 sixty-eight per cent., and in 1903 seventy-three per cent. Compared with 1892, while the capital increased only $59,000,000, the surplus increased nearly $216,000,000.

In 1899 the capital of the National banks had fallen to a very low point, but since that time it has increased $139,000,000 while surplus increased $200,000,000. The growth in capital and surplus of the National banks has not, however, been in proportion to the increase in deposits, the latter having made a phenomenal gain. In 1892 the deposits were $2,309,000,000 but they fell to $1,921,000,000 in the following year and in 1897 were very little larger than in 1892. Since 1897 they have increased rapidly and in 1903 they were $4,413,000,000, an increase of $2,104,000,000 since 1892 and of $2,046,000,000 since 1897.

The ratio of capital and surplus to deposits was forty-three per cent. in 1892, fifty-four per cent. in 1893, forty-five per cent. in 1894 and forty-six per cent. in 1895 and 1896. It fell year by year until 1901 when it was down to twenty-five per cent. but it increased to twenty-seven per cent. in 1902 and to twenty-nine per cent. in 1903. It is now fourteen per cent. less than in 1892.

The ratio of cash and reserves, including amounts due from banks, has been maintained at about forty per cent most of the time, falling to thirty-eight per cent. in 1893 and 1896. The highest ratio was in 1894 when it was forty two per cent. In 1895, 1897, 1898 and 1899 it was forty-one per cent., in 1900 and 1901 forty per cent., in 1902 thirty-nine per cent. and in 1903 thirty-seven per cent. The ratio at the present time is the lowest reported in any year at the corresponding period since 1892.

THE MONEY MARKET.—Rates for money on call have declined, but time money has been firm at higher figures than ruled a month ago. Little commercial paper is offering, less than is usual at this season of the year, merchants obtaining discounts direct from their banks. At the close of the month call money ruled at 1⅛ @ 2 per cent., the average rate being 1¾ per cent. Banks and trust companies loaned at 2 per cent. as the minimum rate. Time money on Stock Exchange collateral is quoted at 5 @ 5½ per cent. for 60 to 90 days, 5½ per cent. for 4 to 5 months, and 5½ @ 6 per cent. for 6 months on good mixed collateral. For commercial paper the rates are 6 per cent. for 60 to 90 days' endorsed bills receivable, 6 @ 6½ per cent. for first-class 4 to 6 months' single names, and 6½ @ 7 per cent. for good paper having the same length of time to run.

Money Rates in New York City.

	Apr. 1.	May 1.	June 1.	July 1.	Aug. 1.	Sept. 1.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Call loans, bankers' balances........	6 —15	2½—3	2 —2½	4½—10	1¾—3	1½—2
Call loans, banks and trust companies....................................	6 —	3½—4	2½—	2½—	2 —	2 —
Brokers' loans on collateral, 30 to 60 days................................	5½— 5¾	4 —	4 —	4 —	4 —	5 —5½
Brokers' loans on collateral, 90 days to 4 months........................	5¼— 5½	4½—	4 —	4¾—5	4½—5	5½—
Brokers' loans on collateral, 5 to 7 months..........	5¼— 5½	4¾—5	4½—	5 — ½	5¼— ½	5½—6
Commercial paper, endorsed bills receivable, 60 to 90 days............	5½— 5¾	5 —	4½— ¾	5 —	5¾—	6 —
Commercial paper prime single names, 4 to 6 months...............	5½— 6	5 —5½	4¾—5¼	5 — ½	5¾—6	6 —6½
Commercial paper, good single names, 4 to 6 months..............	6 — 6½	5½—6	5½ 6	6 —	6 — ½	6½—7

New York City Banks.—The clearing-house banks of New York reported at the close of August an aggregate of loans of $923,000,000. This is an increase for the month of more than $14,000,000 and is a larger amount than was ever reported at a corresponding date in any year. Compared with a year ago there is an increase of $13,000,000. Deposits increased about $10,000,000 during August, but they are nearly $16,000,000 less than they were a year ago, and $48,000,000 less than two years ago. In 1902 deposits decreased $21,000,000 in August. Loans are still some $3,000,000 in excess of deposits. A year ago deposits exceeded loans by $25,000,000. The surplus reserve was reduced $3,000,000 during the month, but is nearly $11,000,000 more than it was a year ago.

New York City Banks—Condition at Close of each Week.

	Loans.	Specie.	Legal tenders.	Deposits.	Surplus Reserve.	Circulation.	Clearings.
Aug. 1...	$908,864,500	$170,738,300	$80,786,200	$909,857,700	$24,060,075	$43,862,600	$1,240,665,368
" 8...	912,697,100	171,841,900	77,818,300	912,272,500	21,587,075	43,916,900	1,249,434,161
" 15...	908,345,600	170,630,900	76,766,500	903,335,300	21,563,575	43,930,300	1,145,184,584
" 22...	917,944,900	174,179,200	75,324,600	918,782,000	21,058,300	43,968,000	1,105,338,488
" 29...	923,111,500	174,997,900	75,711,000	920,123,900	20,677,925	43,918,400	850,814,347

Deposits and Surplus Reserve on or about the First of each Month.

Month.	1901.		1902.		1903.	
	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.
January	$854,189,200	$11,525,900	$910,860,800	$7,515,575	$873,115,000	$10,193,850
February......	969,917,500	24,838,825	975,997,000	26,623,350	931,778,900	27,880,775
March.........	1,012,514,000	14,801,100	1,017,488,300	9,975,925	956,206,400	5,951,900
April..........	1,004,283,200	7,870,500	965,353,300	6,965,575	894,260,000	6,280,900
May..........	970,790,500	16,759,775	968,189,600	7,484,000	905,760,200	11,181,850
June..........	952,398,200	21,253,050	948,326,400	11,929,000	913,081,800	9,645,150
July	971,382,000	8,484,200	955,829,400	12,978,350	903,719,800	12,923,850
August........	955,912,200	22,165,350	957,145,500	13,738,125	908,864,500	24,060,075
September....	968,121,900	11,919,925	935,998,500	9,742,775	920,123,900	20,677,925
October.......	936,452,300	16,293,025	876,519,100	3,236,625	....	....
November....	958,062,400	10,482,800	893,791,200	21,339,100	....	....
December.....	940,668,500	13,414,575	883,836,800	15,786,300	....	....

Deposits reached the highest amount, $1,019,474,200 on Feb. 21, 1901, loans, $950,208,700 on February 21, 1903, and the surplus reserve $111,623,000 on Feb. 3, 1894.

NON-MEMBER BANKS—NEW YORK CLEARING-HOUSE.

DATES.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
Aug. 1....	$78,509,100	$84,339,600	$3,404,300	$4,203,100	$9,087,000	$2,305,500	* $2,085,000
" 8....	77,959,100	84,458,600	3,269,000	4,312,100	9,676,400	2,270,100	* 1,587,050
" 15....	77,824,700	83,489,500	3,364,000	4,609,500	8,606,600	2,388,200	* 1,806,475
" 22....	77,582,300	83,016,700	3,341,500	4,411,400	8,726,000	2,417,900	* 1,757,375
" 29....	77,712,900	82,878,100	3,350,900	4,347,700	8,502,000	2,500,400	* 2,018,525

* Deficit.

BOSTON BANKS.

DATES.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
Aug. 1.......	$184,502,000	$204,801,000	$16,304,000	$6,948,000	$6,602,000	$114,682,300
" 8.......	184,618,000	203,657,000	15,942,000	6,396,000	6,597,000	125,212,900
" 15.......	185,084,000	201,848,000	15,886,000	6,032,000	6,625,000	125,563,300
" 22.......	183,286,000	198,620,000	14,637,000	5,900,000	6,658,000	120,149,900
" 29.......	180,588,000	192,919,000	14,467,000	6,019,000	6,541,000	....

PHILADELPHIA BANKS.

DATES.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
Aug. 1...................	$184,515,000	$205,773,000	$49,488,000	$11,312,000	$104,338,600
" 8...................	183,278,000	203,286,000	49,803,000	11,306,000	111,254,300
" 15...................	183,674,000	204,780,000	52,270,000	11,327,000	97,196,300
" 22...................	182,851,000	205,125,000	53,108,000	11,315,000	101,863,500
" 29...................	183,168,000	203,701,000	51,886,000	11,337,000	103,117,900

FOREIGN EXCHANGE.—The sterling exchange market was alternately weak and strong, being influenced first by purchases of American securities for foreign account and subsequently by sales. The supply of commercial bills is small, and cotton bills are likely to be delayed for another month.

RATES FOR STERLING AT CLOSE OF EACH WEEK.

WEEK ENDED.	BANKERS' STERLING.		*Cable transfers.*	*Prime commercial, Long.*	*Documentary Sterling. 60 days.*
	60 days.	*Sight.**			
Aug. 1...........	4.8350 @ 4.8365	4.8575 @ 4.8590	4.8620 @ 4.8630	4.83⅛ @ 4.83¼	4.82½ @ 4.82⅝
" 8...........	4.8310 @ 4.8320	4.8550 @ 4.8560	4.8580 @ 4.8590	4.82½ @ 4.82¾	4.82 @ 4.83¼
" 15...........	4.8250 @ 4.8275	4.8530 @ 4.8540	4.8565 @ 4.8570	4.82¼ @ 4.82½	4.81¼ @ 4.83
" 22...........	4.8325 @ 4.8340	4.8585 @ 4.8595	4.8625 @ 4.8635	4.82¾ @ 4.83	4.82¼ @ 4.83⅝
" 29...........	4.8310 @ 4.8325	4.8600 @ 4.8610	4.8630 @ 4.8645	4.82¾ @ 4.83	4.82¼ @ 4.83

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	May 1.	*June 1.*	*July 1.*	*Aug. 1.*	*Sept. 1.*
Sterling Bankers—60 days	4.84⅝— ¾	4.85⅛— ⅜	4.84⅞—85	4.83½— ⅝	4.83¼— ½
" " Sight	4.87¾— ⅞	4.88⅛— ¼	4.87¼— ½	4.85¾— ⅞	4.86 — ¼
" " Cables	4.88¼— ⅜	4.88¾— ⅞	4.87¾— ⅞	4.86¼— ⅜	4.86⅜— ⅝
" Commercial long	4.84¼— ⅜	4.84¾— 5	4.84¼— ¾	4.83⅛— ¼	4.82½— 3
" Docu'tary for paym't.	4.83¾— 4¾	4.84¼— 5⅝	4.84 — 5¼	4.82½— 3⅜	4.82¼— 3½
Paris—Cable transfers	5.15 1/16— 1/32	5.15 —	5.15 —	5.16¼—	5.16⅞— ¼
" Bankers' 60 days.........	5.18⅛—	5.18⅛—17⅛	5.18⅛—	5.19⅜—	5.19⅜—18¾
" Bankers' sight...........	5.15⅝—	5.15⅝—	5.15⅝—	5.16⅞—	5.16⅞—
Swiss—Bankers' sight...........	5.15⅝—	5.15 1/16—15	5.15⅝—	5.16⅞—	5.16⅞—
Berlin—Bankers' 60 days........	94¾— 13/16	94⅞— 15/16	95 — 1/16	94 13/16—	94⅞— 13/16
" Bankers' sight...........	95¼—	95⅛—	95⅛— 3/16	95 1/16— ⅜	95 1/16—
Belgium—Bankers' sight.........	5.16¼—	5.16¼—	5.16¼—	5.17½—	5.18½—17½
Amsterdam—Bankers' sight....	40¼— 5/16	40¼—	40 5/16— ⅜	40¼—	40¼— 5/16
Kronors—Bankers' sight	26.79—26.81	26.86—26.88	26.89 —26.91	26.82—26.84	26.83—26.86
Italian lire—sight...	5.16¼—15	5.15⅝—	5.15⅝— 1/16	5.16⅞— ¼	5.16⅞—15⅝

MONEY RATES ABROAD.—There was no change in the official rates of discount of the leading European banks last month. The Bank of Bombay on August 20 reduced its rate from 4 to 3 per cent. Discounts of 60 to 90 day bills in London at the close of the month were 2 7/8 @ 3 1/8 per cent. against 2 1/2 @ 2 5/8 per cent. a month ago. The open market rate at Paris was 2 3/8 @ 2 1/2 per cent. against 2 1/2 @ 2 5/8 per cent. a month ago, and at Berlin and Frankfort 3 1/2 per cent. against 3 1/4 a month ago.

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	May 13, 1903.	June 10, 1903.	July 15, 1903.	Aug. 12, 1903.
Circulation (exc. b'k post bills)	£28,570,570	£28,934,660	£29,625,505	£29,594,115
Public deposits	7,125,650	7,325,453	6,914,657	6,555,514
Other deposits	59,096,612	40,890,446	41,449,922	41,179,961
Government securities	14,719,631	14,973,219	15,342,840	16,543,841
Other securities	44,490,255	25,422,185	25,988,711	25,508,319
Reserve of notes and coin	24,779,212	25,648,175	25,148,480	23,253,399
Coin and bullion	35,374,962	36,407,835	36,596,985	35,272,514
Reserve to liabilities	37 5/8%	53 1-16%	51 7/8%	49 5/8%
Bank rate of discount	4%	3 1/2%	3%	3%
Price of Consols (2 3/4 per cents.)	92 5-16	90 3/4	92 11-16	90 11-16
Price of silver per ounce	24 7/8d.	24 1/8d.	24 3/4d.	25 1-16d.

EUROPEAN BANKS.—There was very little change in the gold holdings of the European banks last month. Compared with a year ago the Bank of England shows a loss $4,000,000, France of $13,000,000 and Germany of $7,000,000, and Russia a gain of $33,000,000.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	July 1, 1903.		August 1, 1903.		Sept. 1, 1903.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England	£37,708,583	....	£36,058,271	....	£36,101,547	....
France	100,520,160	£45,060,980	102,468,410	£45,024,536	102,246,885	£44,859,588
Germany	36,185,000	12,714,000	35,548,000	12,490,000	36,113,000	12,688,000
Russia	77,165,000	8,936,000	81,844,000	8,978,000	81,247,000	8,776,000
Austria-Hungary	45,801,000	13,180,000	45,358,000	13,066,000	45,428,000	12,839,000
Spain	14,554,000	20,633,000	14,584,000	20,468,000	14,624,000	20,145,000
Italy	18,877,000	2,246,800	18,988,000	2,315,000	19,196,000	2,298,800
Netherlands	3,940,300	6,644,200	3,940,000	6,520,400	3,942,500	6,491,000
Nat. Belgium	3,093,333	1,546,667	2,940,000	1,470,333	2,940,667	1,470,333
Totals	£337,344,376	£110,961,647	£341,228,681	£110,332,469	£341,839,599	£109,567,721

SILVER.—The price of silver in London was firmuntil late in the month, when it advanced rapidly, touching 26 3/4d. on the last day of the month, the highest quotation since December, 1901. The advance for the month was 1 7-16d.

MONTHLY RANGE OF SILVER IN LONDON—1901, 1902, 1903.

MONTH.	1901.		1902.		1903.		MONTH.	1901.		1902.		1903.	
	High	Low.	High	Low.	High	Low.		High	Low.	High	Low.	High	Low.
January	29 9-16	27 7/8	26 1-16	25 3/8	22 3/8	21 11-16	July	28 9-16	27 3/4	24 9-16	24 3-16	25 3/8	24 1/4
February	28 7-16	27 7/8	25 3/8	25 5-16	22 5-16	21 7/8	August	28 7-16	27 15-16	24 7-16	24 1/8	26 3/4	25 5-16
March	28 3-16	27 5-16	25 7-16	24 13-16	22 15-16	22 1/8	Septemb'r	28 7-16	29 1/4	24 1/8	23 9-16	....	....
April	27 15-16	26 15-16	24 7/8	23 5-16	25 1-16	23 5/8	October	30 3-16	29 1/8	23 11-16	23 1/4	....	....
May	27 5/8	27 3-16	24 1/8	23 5-16	25 1/4	24 5-16	Novemb'r	29 15-16	29 7-16	23 1/4	21 3/4	....	....
June	27 5/8	27 1/4	24 7-16	23 15-16	24 9-16	24 1/8	Decemb'r	29 15-16	29 1/2	22 1/2	21 13-16	....	....

Foreign and Domestic Coin and Bullion—Quotations in New York.

	Bid.	Asked.		Bid.	Asked.
Sovereigns & Bk. of Eng. notes	$4.85	$4.89	Mexican 20 pesos	$19.52	$19.60
Twenty francs	3.86	3.89	Ten guilders	3.95	4.00
Twenty marks	4.77	4.80	Mexican dollars	.45	.46½
Twenty-five pesetas	4.78	4.81	Peruvian soles	.41	.45
Spanish doubloons	15.55	15.65	Chilian pesos	.41	.45
Mexican doubloons	15.55	15.65			

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 26¾d. per ounce. New York market for large commercial silver bars, 57⅞ @ 59¼c. Fine silver (Government assay), 58⅛ @ 59¾c. The official price was 57⅞c.

Government Revenues and Disbursements.—Surplus receipts of $6,828,133 in August bring the deficit for the first two months of the new fiscal year to $948,-480 and that will probably be wiped out during the current month. Custom receipts in August were $1,400,000 less than a year ago but internal revenue receipts increased $1,700,000 and miscellaneous receipts about $1,000,000. Expenditures show a decrease of about $100,000.

United States Treasury Receipts and Expenditures.

Receipts. Source.	August, 1903.	Since July 1, 1903.	Expenditures. Source.	August, 1903.	Since July 1, 1903.
Customs	$25,121,715	$48,268,222	Civil and mis.	$9,194,508	$23,983,862
Internal revenue	19,286,486	41,246,230	War	8,762,788	26,716,418
Miscellaneous	5,444,476	8,949,801	Navy	8,166,999	15,746,048
			Indians	1,343,529	2,418,923
			Pensions	13,626,505	25,603,237
Total	$49,852,677	$98,464,253	Interest	1,930,275	4,999,245
Excess of receipts	6,828,133	*948,480	Total	$43,024,544	$99,412,733

* Excess of expenditures.

Gold and Silver Coinage.—There was only $450,000 of gold coined at the mints in August and $452,000 of silver. The minor coinage amounted to $212,180, making a total of $1,114,180. The Philippine coinage amounted to 9,456,878 pieces. Besides these 200,000 pieces were coined for the Venezuelan Government.

Coinage of the United States.

	1901.		1902.		1903.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
January	$12,657,200	$2,713,000	$7,660,000	$2,908,637	$7,635,178	$1,707,000
February	9,230,800	2,242,166	6,643,850	2,489,060	7,488,510	1,521,000
March	6,182,152	3,120,580	1,558	2,965,577	6,879,920	1,595,987
April	18,958,000	2,633,000	3,480,815	3,388,278	137,400	1,809,000
May	9,325,000	3,266,000	426,000	1,873,000	69,000	1,584,000
June	5,948,030	2,836,185	500,345	2,464,353	610	3,840,222
July	4,225,000	1,312,000	2,120,000	2,254,000	....	887,327
August	6,780,000	3,141,000	8,040,000	2,236,000	450,000	452,000
September	4,100,178	3,899,524	3,560,860	2,831,165	....	....
October	5,750,000	2,791,489	1,890,000	2,287,000	....	....
November	6,270,000	917,000	2,675,000	2,399,000	....	....
December	12,309,338	1,966,514	6,277,925	1,932,216	....	....
Year	$101,735,187	$30,838,461	$47,109,852	$29,928,167	$22,660,000	$12,846,596

National Bank Circulation.—There was an increase of $1,241,488 in amount of National bank notes outstanding last month. The increase in circulation based on Government bonds was $2,469,496, while the circulation based on lawful money deposits was reduced $1,228,008. The National banks now have $381,486,430 of bonds deposited to secure circulation and $152,614,520 to secure public deposits. Nearly $179,000,000 of the bonds so held are two per cents of 1930. There are still $16,000,000 of State and city bonds on deposit as security for Government deposits.

National Bank Circulation.

	May 31, 1903.	June 30, 1903.	July 31, 1903.	Aug. 31, 1903.
Total amount outstanding	$406,443,205	$413,670,650	$417,346,487	$418,587,975
Circulation based on U. S. bonds	363,586,987	372,295,408	377,606,826	380,076,322
Circulation secured by lawful money	42,856,218	41,375,242	39,739,661	38,511,653
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	3,655,500	3,875,500	3,264,750	3,183,250
Five per cents. of 1894	632,400	632,400	556,150	556,150
Four per cents. of 1895	1,585,100	1,570,100	1,530,100	1,490,100
Three per cents. of 1898	2,391,820	2,368,820	2,179,380	2,153,580
Two per cents. of 1900	359,583,100	367,400,950	372,642,650	374,103,350
Total	$367,827,920	$375,347,270	$380,173,030	$381,486,430

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1907, $4,578,900; 5 per cents. of 1894, $4,904,450; 4 per cents. of 1895, $10,442,550; 3 per cents. of 1898, $7,059,520; 2 per cents. of 1900, $104,867,200; District of Columbia 3.65's, 1924, $1,689,000; State and city bonds, $16,083,900; Philippine Island certificates, $2,989,000, a total of $152,614,520.

United States Public Debt.—There was no change in the aggregate bonded debt in August but about $300,000 of bonds were exchanged for 2 per cents. A reduction in the National bank redemption fund of about $1,000,000 and an increase in the net cash balance in the Treasury of $5,000,000 made the net public debt $6,000,000 less than it was a month ago, leaving it below $924,000,000. The cash balance exceeds $383,000,000 an increase of $19,000,000 since January 1.

United States Public Debt.

	Jan. 1, 1903.	July 1, 1903.	Aug. 1, 1903.	Sept. 1, 1903.
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent	$445,940,750	$520,143,150	$526,752,800	$527,083,350
Funded loan of 1907, 4 "	233,178,650	173,385,650	168,384,950	168,079,600
Refunding certificates, 4 per cent	31,230	30,600	30,540	30,540
Loan of 1904, 5 per cent	19,385,050	19,385,050	19,385,050	19,385,050
" 1925, 4 "	118,489,900	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent	97,515,660	83,107,060	81,498,160	81,472,960
Total interest-bearing debt	$914,541,240	$914,541,410	$914,541,400	$914,541,400
Debt on which interest has ceased	1,255,710	1,205,090	1,205,070	1,204,070
Debt bearing no interest:				
Legal tender and old demand notes	346,734,863	346,734,863	346,734,863	346,734,868
National bank note redemption acct.	42,169,652	40,053,308	38,962,178	38,023,493
Fractional currency	6,872,594	6,871,241	6,871,240	6,871,240
Total non-interest bearing debt	$395,774,109	$393,659,412	$392,568,282	$391,629,597
Total interest and non-interest debt.	1,311,574,059	1,309,405,912	1,308,314,752	1,307,375,068
Certificates and notes offset by cash in the Treasury:				
Gold certificates	383,564,069	409,109,869	412,087,869	416,385,869
Silver "	468,957,000	464,706,000	463,614,000	462,384,000
Treasury notes of 1890	24,053,000	19,243,000	18,556,000	17,970,000
Total certificates and notes	$876,574,069	$893,058,869	$894,257,869	$896,739,869
Aggregate debt	2,188,148,128	2,202,464,781	2,202,572,621	2,204,114,936
Cash in the Treasury:				
Total cash assets	1,331,081,200	1,363,698,474	1,366,194,228	1,374,539,898
Demand liabilities	966,671,820	978,304,198	987,902,783	991,089,187
Balance	$364,409,380	$384,394,275	$378,291,444	$383,450,711
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	214,409,380	234,394,275	228,291,444	233,450,711
Total	$364,409,380	$884,394,275	$378,291,441	$383,450,711
Total debt, less cash in the Treasury.	947,164,679	925,011,937	930,023,311	923,924,357

United States Foreign Trade.—With the exception of June and July, 1902, the exports of merchandise in July, 1903, were the smallest reported for any month since April, 1899. The total value was $91,539,400, a decrease from June of $3,600,000, and $56,000,000 less than in December last. They were nearly $3,000,000 larger than in July last year, but were less than in the same month in either of the previous three years. Imports of merchandise in July were valued at $82,180,387, an increase over those of the same month last year of $3,000,000 and $9,000,000 more than in July, 1901. The net balance of exports was only $9,359,013, the smallest reported in years. Nearly $4,500,000 of gold was exported net during the month, but silver exports amounted to only $451,209. For the seven months of the present calendar year exports of merchandise show an increase of $62,000,000 over last year and imports nearly $49,500,000, the net exports showing an increase of about $2,750,000. Gold exports in the seven months were nearly $22,000,000 against $13,000,000 last year.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF JULY.	MERCHANDISE.			Gold Balance.	Silver Balance.
	Exports.	*Imports.*	*Balance.*		
1898	$72,525,049	$50,984,381	Exp., $21,540,668	Imp., $1,144,655	Exp., $2,231,176
1899	94,926,170	60,101,744	" 34,824,426	" 289,012	" 1,271,676
1900	100,452,807	63,659,692	" 36,793,115	" 7,990,593	" 1,569,565
1901	109,452,510	73,082,435	" 36,370,075	" 1,200,993	" 1,276,674
1902	88,790,627	79,147,874	" 9,642,753	Exp., 6,289,918	" 1,395,334
1903	91,539,400	82,180,387	" 9,359,013	" 4,486,541	" 451,209
SEVEN MONTHS.					
1898	694,066,646	377,245,219	Exp., 316,821,427	Imp., 87,515,459	Exp., 13,936,134
1899	687,944,803	448,546,623	" 239,398,180	Exp., 3,876,665	" 18,954,909
1900	812,486,551	503,078,345	" 309,408,206	" 5,824,212	" 18,090,963
1901	831,305,132	506,523,539	" 324,781,593	" 12,362,268	" 14,575,410
1902	726,986,790	535,490,016	" 191,496,774	" 13,378,811	" 11,702,630
1903	789,191,309	594,948,985	" 194,242,324	" 21,846,728	" 7,975,254

MONEY IN CIRCULATION IN THE UNITED STATES.—The amount of money estimated to be in circulation was increased nearly $7,000,000 in August. Gold certificates increased nearly $8,000,000 and silver certificates $1,000,000, while National bank notes decreased $3,000,000.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1903.	*July 1, 1903.*	*Aug. 1, 1903.*	*Sept. 1, 1903.*
Gold coin	$629,680,632	$621,545,146	$620,879,790	$620,375,159
Silver dollars	78,310,334	72,349,806	72,568,354	72,959,012
Subsidiary silver	94,350,669	92,195,600	92,246,380	92,870,952
Gold certificates	346,418,819	379,043,889	386,369,399	394,155,919
Silver certificates	463,570,632	455,079,538	454,893,932	455,928,384
Treasury notes, Act July 14, 1890	23,920,426	19,109,670	18,467,578	17,850,254
United States notes	343,770,858	336,591,372	335,195,565	335,377,568
National bank notes	368,678,531	400,408,189	401,397,500	399,384,930
Total	$2,348,700,901	$2,379,323,218	$2,382,018,498	$2,388,902,178
Population of United States	79,799,000	80,847,000	80,602,000	80,717,000
Circulation per capita	$29.43	$29.39	$29.55	$29.60

SUPPLY OF MONEY IN THE UNITED STATES.—More than $13,000,000 was added to the supply of money in the country last month, $12,000,000 in gold and $1,000,000 in National bank notes. The increase in the money supply since January 1 was $57,000,000.

SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1903.	*July 1, 1903.*	*Aug. 1, 1903.*	*Sept. 1, 1903.*
Gold coin and bullion	$1,246,876,715	$1,252,731,990	$1,255,749,068	$1,267,733,949
Silver dollars	549,093,501	558,147,946	558,147,946	558,221,946
Silver bullion	23,057,667	15,311,210	15,836,557	15,601,548
Subsidiary silver	100,769,875	101,606,809	101,679,100	101,867,228
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	384,929,784	413,670,650	417,346,487	418,587,975
Total	$2,651,408,558	$2,688,149,621	$2,695,440,174	$2,708,693,662

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of August, and the highest and lowest during the year 1903, by dates, and also, for comparison, the range of prices in 1902:

	YEAR 1902.		HIGHEST AND LOWEST IN 1903.		AUGUST, 1903.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	95⅝	74¼	89⅞-Jan. 10	54 —Aug. 10	65⅛	54	64¼
• preferred	106⅛	95½	103⅛—Jan. 10	84⅝—Aug. 10	91	84⅝	90½
Baltimore & Ohio	118⅛	95⅝	104 —Jan. 9	77¼—Aug. 6	85	77¼	83¼
Baltimore & Ohio, pref.	99	92	96¾—Feb. 11	82¾—July 25	88⅛	84¼	87
Brooklyn Rapid Transit	72⅝	54¾	71⅛—Feb. 17	37½—Aug. 8	48⅝	37½	47
Canadian Pacific	145¼	112¼	138¾—Feb. 10	117½—June 10	127⅞	118	127¾
Canada Southern	97	71	78½—Jan. 5	58 —Aug. 6	61¾	58	60½
Central of New Jersey	198	165	190 —Jan. 19	156½—July 27	164	158	162¾
Ches. & Ohio vtg. ctfs	57½	45⅝	53⅝—Feb. 10	27½—Aug. 6	36¼	27½	34¼
Chicago & Alton	45⅝	29⅛	37¼—Jan. 5	19 —Aug. 6	24¼	19	23¼
• preferred	79	68	73⅛-Jan. 7	61 —Aug. 10	65¼	61	64¾
Chicago, Great Western	35	22	29⅝—Jan. 9	13 —Aug. 6	18⅛	13	17¼
Chic., Milwaukee & St. Paul	198¾	160⅛	183¼—Jan. 7	133¼—Aug. 8	147¼	133¼	143¼
• preferred	200¾	186	194¼—Jan. 9	168 —Aug. 10	173	168	172
Chicago & Northwestern	271	204⅛	224½—Jan. 14	154½—Aug. 8	169	154½	166½
• preferred	274½	230	250 —Jan. 7	190 —Aug. 8	202¾	190	202¾
Chic., St. Paul, Minn. & Om.	170½	140	162 —Jan. 19	117 —July 14	125	117	125
• preferred	210	194⅞	194 —Jan. 5	190 —May 10	....	....	....
Chicago Terminal Transfer	24⅞	15	19⅞—Jan. 9	8⅛—Aug. 6	12	8⅛	11⅛
• preferred	44	29	36 —Jan. 8	17 —Aug. 8	22	17	21½
Clev., Cin., Chic. & St. Louis	108⅝	93	99⅝-Jan. 6	66 —Aug. 10	76⅛	66	73⅛
Col. Fuel & Iron Co.	110½	73¾	82½—Jan. 6	40 —July 27	54¾	40⅛	53½
Colorado Southern	35¾	14⅛	31⅝—Jan 7	10 —July 24	15¼	11	14½
• 1st preferred	79½	59¼	72 —Jan. 9	44½—Aug. 8	54¼	44½	52⅞
• 2d preferred	53⅞	28	48 —Jan. 8	17 —Aug. 5	24½	17	23
Consolidated Gas Co.	230¾	205	222 —Jan. 7	164 —Aug. 10	187¼	164	178½
Delaware & Hud. Canal Co.	184½	153½	183½—Feb. 2	149 —Aug. 10	167½	149	165
Delaware, Lack. & Western	297	231	276½—Jan. 8	230 —July 24	248	243	248
Denver & Rio Grande	51¾	35⅛	43 —Feb. 9	20 —Aug. 10	26½	20	25⅛
• preferred	96¾	86½	90½—Feb. 9	72 —Aug. 6	79	72	79
Erie	44⅝	28⅝	42⅝—Jan. 9	23 —Aug. 8	31¼	23	30⅝
• 1st pref	75¾	60½	74 —Feb. 5	62½—Apr. 13	68⅝	62½	67¾
• 2d pref	63¾	41½	64⅞—Feb. 5	44 —July 24	53¾	44	53
Evansville & Terre Haute	74⅝	50	72½—Jan. 8	39½—July 27	52½	41	50¾
Express Adams	240	198	235 —Feb. 11	214 —Mar. 10	225	221	225
• American	265	210	235 —Feb. 5	171 —Aug. 10	185	171	190
• United States	160	97	150¼—Feb. 4	95 —Aug. 8	110	95	108
• Wells, Fargo	251	185	249½—Feb. 6	191 —July 14	217½	210	217½
Great Northern, preferred	203	181½	209 —Jan. 22	165 —Aug. 8	175	165	175
Hocking Valley	106	66	106½—Feb. 20	65¾—Aug. 8	72	65¾	70¾
• preferred	98⅛	81⅛	99¼—Mar. 2	79 —Aug. 11	83	79	80
Illinois Central	173½	137	151 —Jan. 10	125⅛—July 15	134½	126⅛	133⅞
Iowa Central	51¾	37½	48 —Jan. 12	16 —July 27	24½	16	21½
• preferred	90⅝	65	77⅝—Jan. 12	31½—Aug. 6	41⅝	31½	39½
Kansas City Southern	39	19	36¼—Jan. 12	18 —July 24	24¼	19	22½
• preferred	63¾	44	61¼—Jan. 22	32½—Aug. 10	42½	32½	39¾
Kans. City Ft. S. & Mem. pref.	88	75	82¾—Feb. 26	64 —Aug. 10	70¼	64	69
Lake Erie & Western	71½	40	53 —Jan. 8	25 —Aug. 8	33¾	25	32
• preferred	138	120	118 —Feb. 6	94 —July 24	100	99	99
Long Island	91⅞	72½	83 —Jan. 7	57 —Aug. 5	66¾	57	66¾
Louisville & Nashville	159½	102⅛	130½—Jan. 8	98⅛—Aug. 10	108¼	98⅛	106
Manhattan consol	158	128	155½—Jan. 14	127¼—Aug. 10	136⅝	127¼	136
Metropolitan Street	174	135	142⅞-Jan. 6	108 —Aug. 10	119⅞	108	118
Mexican Central	31⅛	20⅝	29 —Mar. 23	11 —July 24	15⅞	13	14⅛
Minneapolis & St. Louis	115	105	110 —Jan. 9	49 —Aug. 10	63	49	61
• preferred	127¾	118½	118 —Feb. 27	85 —Aug. 5	89	85	88
Missouri, Kan. & Tex.	35¾	22½	30½—Jan. 5	16¼—Aug. 5	21	16¼	20¾
• preferred	69¾	51	63½—Feb. 10	35½—Aug. 10	45⅛	35½	42¾
Missouri Pacific	125⅛	96¾	115⅞—Feb. 10	85¾—Aug. 10	98⅝	85¾	94¾
N. Y. Cent. & Hudson River	168⅞	147	156 —Jan. 10	112⅝—July 15	126¼	116¼	122⅞
N. Y., Chicago & St. Louis	57⅝	40	45 —Jan. 7	20 —Aug. 10	26	20	25
• 2d preferred	100	80	87 —Jan. 19	58 —Aug. 12	63	58	59
N. Y., Ontario & Western	37⅝	25¼	35¼—Feb. 5	19¾—Aug. 6	25	19¾	23⅞

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1902.		Highest and Lowest in 1903.		August, 1903.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Norfolk & Western	78⅛	55	76¼—Feb. 10	56⅛—Aug. 10	64⅞	56⅛	63⅛
• preferred	98	90	93½—Feb. 2	85 —Aug. 10	85	85	85
North American Co	134	88	124½—Jan. 7	70 —July 25	83	70	78⅜
Pacific Mail	49⅝	37	42¾ Jan. 7	17 —Aug. 6	23½	17	22
Pennsylvania R. R	170	147	157⅝—Jan. 10	118⅛—July 15	126½	119⅛	124⅞
People's Gas & Coke of Chic.	109⅛	98¼	108⅜—Feb. 10	89⅞—Aug. 6	96	89⅞	95
Pullman Palace Car Co	250	215	235¾—Jan. 14	196 —July 15	220	208	220
Reading	78⅛	52¼	69¼—Jan. 2	41⅝—June 10	58⅛	44⅝	55¾
• 1st prefered	90¼	79⅞	89⅞—Feb. 5	79½—Aug. 10	82	79½	80¾
• 2d preferred	80⅞	60	81 —Jan. 6	60 —June 10	70⅛	65	68¾
Rock Island	50⅛	32⅛	53⅝—Jan. 9	19½—Aug. 6	33¼	19⅛	29¼
• preferred	85½	71	86 —Jan. 9	56½—Aug. 10	68⅞	56½	67
St. Louis & San Francisco	85½	53¾	90½—Feb. 24	56 —July 25	....	....	....
• 1st preferred	90	77	88 —Feb. 20	68 —Aug. 13	73	68	70½
• 2d preferred	80⅜	65½	78 —Feb. 24	42¾—Aug. 10	54¼	42¾	50¾
St. Louis & Southwestern	39	24½	30 —Jan. 7	12 —Aug. 6	18	12	15¾
• preferred	80	55¼	66 —Jan. 7	24 —Aug. 10	37¼	24	35¼
Southern Pacific Co	81¼	56	68¼—Mar. 19	39⅛—Aug. 6	48	39⅛	46⅛
Southern Railway	41⅜	28	36⅞—Jan. 9	17⅛—Aug. 5	24¾	17⅛	22⅞
• preferred	98½	89¾	96 —Feb. 9	76 —Aug. 10	85½	76	85
Tennessee Coal & Iron Co	74⅝	49½	68¾—Mar. 21	32¾—Aug. 10	47½	32¾	43¼
Texas & Pacific	54¾	37	43⅜—Feb. 10	20¼—Aug. 10	29¼	20¼	27½
Toledo, St. Louis & Western	33¼	18⅛	31⅞—Jan. 9	16 —Aug. 11	23¾	16	22½
• preferred	49¾	35	48 —Jan. 8	25 —July 25	32	25	28¾
Union Pacific	113¼	93½	104⅝—Jan. 9	65½—Aug. 8	78⅛	65½	76⅛
• preferred	95	86⅝	95¼—Feb. 11	83½—Aug. 10	87	83½	87
Wabash R. R	38¾	21¾	32¾—Feb. 27	17½—Aug. 6	24	17½	22⅜
• preferred	54½	37	55¼—Feb. 24	29¼—Aug. 6	38½	29¼	36
Western Union	97½	84¾	93 —Jan. 14	81¼—Aug. 8	84¼	81¼	83⅛
Wheeling & Lake Erie	30¼	17	27½—Feb. 9	12 —July 24	18⅛	13⅛	17
• second preferred	42⅜	28	38½—Feb. 10	24 —Aug. 7	30	24	28
Wisconsin Central	31	19⅛	29¼—Feb. 9	15 —July 24	20⅝	15½	19⅛
• preferred	57⅝	39½	55½—Feb. 6	35 —Aug. 11	41¾	35	40½
"Industrial"							
Amalgamated Copper	79	53	75⅝—Mar. 12	35¾—July 24	52⅜	37	49⅞
American Car & Foundry	37⅝	28¼	41¾—Jan. 19	29¾—July 24	34½	30	33⅛
• pref	93⅜	85¼	93 —Jan. 6	81¼—Aug. 6	85	81¼	84
American Co. Oil Co	57¾	30½	46¼—Feb. 20	25¼—Aug. 6	31	25¼	30½
American Ice	31⅞	9½	11⅞—Jan. 31	5 —July 25	7⅝	5¼	6
American Locomotive	36⅞	23½	31⅝—Feb. 17	15⅝—Aug. 5	20½	15⅝	19⅛
• preferred	100¼	89	95¾—Feb. 17	79½—Aug. 6	85	79½	85
Am. Smelting & Refining Co.	49⅝	36⅞	52⅞—Feb. 17	37½—July 24	46½	39⅛	45⅝
• preferred	100⅛	87½	99½—Feb. 16	86½—Aug. 10	91⅜	86½	90¾
American Sugar Ref. Co	135⅛	113	134⅜—Jan. 8	108⅝—Aug. 10	118⅜	108⅝	116⅝
Anaconda Copper Mining	146	80	125½—Feb. 25	64 —July 24	87	66	86
Continental Tobacco Co. pref.	126½	114	119 —Jan. 2	94¾—Aug. 6	105	94¾	104
Corn Products	38⅜	27	35 —Mar. 23	22½—Aug. 6	29	22½	•28½
• preferred	90	79⅝	85⅛—Jan. 19	75 —Aug. 5	80	75	80
Distillers securities	33	27	34¾—Jan. 6	20 —July 24	23½	20	22½
General Electric Co	334	170	204 —Feb. 16	148¼—Aug. 10	168¾	148¼	165
International Paper Co	23⅝	16½	19⅞—Jan. 5	9 —July 28	14	10	13¾
• preferred	77⅛	70	74¼—Feb. 6	60¼—July 27	70	63⅜	68¾
International Power	199	49	73 —Jan. 19	37 —Aug. 6	40	37	40
National Biscuit	53¼	40	47⅝—Feb. 17	33½—Aug. 10	38¾	33½	37⅛
National Lead Co	32	15⅜	29¾—Feb. 5	11⅞—July 27	17	13	15½
Pressed Steel Car Co	63½	39	65¼—Jan. 26	33 —Aug. 10	48⅝	33	42⅞
• preferred	96½	82¾	95 —Feb. 20	78 —Aug. 10	82½	78	82
Republic Iron & Steel Co	24¾	15⅝	22⅝—Feb. 18	9⅞—Aug. 6	12¾	9⅞	11¾
• preferred	83⅜	68	80⅜—Feb. 18	59 —Aug. 6	68	59	67
Rubber Goods Mfg. Co	25⅜	17¼	30 —Feb. 16	12 —July 25	19½	12¾	19
• preferred	74	63	84½—Feb. 17	60 —July 25	76	62	76
U. S. Leather Co	15¼	10½	15¼—Feb. 11	6¾—July 25	8⅛	6¾	8⅛
• preferred	91¼	79⅞	96¾—May 12	74 —Aug. 11	83¼	74	81¾
U. S. Realty & Con	32	20	28½—Jan. 2	6½—Aug. 21	9⅞	6½	7⅛
U. S. Rubber Co	19⅝	14	19⅛—Feb. 10	7 —July 27	13⅛	8¾	13
• preferred	64	49½	58 —Feb. 10	30¼—July 27	42½	32⅛	42½
U. S. Steel	46¾	29¾	39⅞—Feb. 5	20¾—Aug. 5	24¾	20⅝	23⅛
• pref	97¾	79	89¾—Jan. 7	67 —Aug. 10	73⅞	67	71

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

Last Sale, Price and Date and Highest and Lowest Prices and Total Sales for the Month.

Note.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	August Sales. High.	August Sales. Low.	August Sales. Total.
Ann Arbor 1st g 4's	1995	7,000,000	Q J	93½	Aug.28,'03	94½	93½	17,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	138,155,000	A & O	99⅞	Aug.31,'03	99⅞	98¼	600,000
" registered		....	A & O	97¾	July 30,'03	....	....	....
" adjustment, g. 4's	1995	25,616,000	NOV	89¾	Aug.31,'03	89¾	86¾	62,000
" registered		....	NOV	75	July 25,'03	....	....	....
" stamped	1995	26,112,000	M & N	90	Aug.29,'03	90	84	230,000
" serial debenture 4's—								
" series B	1904	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series C	1905	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series D	1906	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series E	1907	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series F	1908	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series G	1909	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series H	1910	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series I	1911	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series J	1912	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series K	1913	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series L	1914	2,500,000	F & A	92⅞	Nov.10,'02	....	....	....
" registered		....	F & A	....	....	....	....	....
" East.Okla.div.1st g.4's	1928	4,520,000	M & S	....	....	....	....	....
" " registered		....	M & S	....	....	....	....	....
" Chic. & St. L. 1st 6's	1915	1,500,000	M & S	....	....	....	....	....
Atl. Knox. & Nor. Ry. 1st g. 5s	1946	1,000,000	J & D	114½	Oct. 8,'02	....	....	....
Atlan.Coast Line R.R.Co.1st g.4's	1952	30,981,000	M & S	92¾	Aug.31,'03	93	92½	301,000
" registered			M & S	....	....	....	....	....
Balt. & Ohio prior lien g. 3½s	1925	69,798,000	J & J	92	Aug.31,'03	92½	91½	336,000
" registered			J & J	94½	Jan. 12,'03	....	....	....
" g. 4s	1948	65,963,000	A & O	99¾	Aug.31,'03	101¼	99⅜	1,363,500
" g. 4s. registered			A & O	102	May 29,'03	....	....	....
" ten year c. deb. g. 4's	1911	592,000	M & S	97	Aug.14,'03	97	97	5,000
Pitt Jun. & M. div. 1st g. 3½s.	1925	11,293,000	M & N	88	Aug.31,'03	88⅞	88	19,000
" registered			QFeb	....	....	....	....	....
Pitt L. E. & West Va. System refunding g 4s	1941	20,000,000	M & N	95½	Aug.31,'03	96	94½	114,000
" Southw'n div. 1st g. 3½s.	1925	41,990,000	J & J	88	Aug.31,'03	88	86½	390,500
" registered			Q J	90¼	July 16,'01	....	....	....
Monongahela River 1st g. g., 5's	1919	700,000	F & A	114¼	June 27,'02	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s,	1930	1,018,000	M & S	112	Nov.14,'99	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,427,000	M & S	115	Aug.29,'03	115	114	7,000
Alleghany & Wn. 1st g. gtd 4's.	1998	2,000,000	A & O	....	....	....	....	....
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	124¼	June 22,'03	....	....	....
" cons. 1st 6's,	1922	3,920,000	J & D	125⅜	Jan. 24,'03	....	....	....
Buff. & Susq. 1st refundg g. 4's	1951	3,309,000	J & J	103	June 16,'02	....	....	....
" registered			J & J	....	....	....	....	....
Burlington, Cedar R. & N. 1st 5's,	1906	6,500,000	J & D	101⅛	Aug.17,'03	101⅛	101⅛	3,500
" con. 1st & col. tst 5's.	1934	11,000,000	A & O	120¼	May 8,'03	....	....	....
" registered			A & O	120½	Mar. 16,'03	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's.	1921	1,905,000	A & O	118	Jan. 27,'02	....	....	....
Minneap's & St. Louis 1st 7's, g,	1927	150,000	J & D	40	Aug. 21,'95	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	August Sales. High.	August Sales. Low.	August Sales. Total.
Canada Southern 1st int. gtd 5's,	1908	14,000,000	J & J	102⅞	Aug.31,'03	103	102½	56,000
" 2d mortg. 5's,	1913	6,000,000	M & S	107	Aug.26,'03	107	106	6,000
" registered			M & S	107	Aug.14,'03	107	107	2,000
Central Branch U. Pac. 1st g. 4's.	1948	2,500,000	J & D	92	June 4,'03	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's,	1987	4,880,000	M & N	104½	July 7,'03	....	....	....
Central R'y of Georgia, 1st g. 5's.	1945	7,000,000	F & A	122⅛	Jan. 5,'03	....	....	....
" registered $1,000 & $5,000			F & A	....	....	....	....	....
" con. g. 5's	1945	16,700,600	M & N	104⅛	Aug.29,'03	104¾	102	220,000
" con. g. 5's, reg. $1,000 & $5,000			M & N	105½	Sept.18,'01	....	....	....
" 1st. pref. inc. g. 5's,	1945	4,000,000	OCT 1	75⅛	Aug.19,'03	75⅛	68	156,000
" 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	29	Aug.31,'03	31	24	485,000
" 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	19⅛	Aug.28,'03	20	19	52,000
" Chat. div. pur. my. g. 4's.	1951	1,840,000	J & D	92	Aug.21,'02	....	....	....
" Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	108¼	Sept. 8,'02	....	....	....
" Mid. Ga. & Atl. div. g 5s.	1947	413,000	J & J	102	June29,'99	....	....	....
" Mobile div. 1st g. 5's	1946	1,000,000	J & J	103	July 2,'03	....	....	....
Central of New Jersey, gen. g. 5's	1987	45,091,000	J & J	128	Aug.27,'03	128	126¼	30,000
" registered			Q J	127	Aug.21,'03	127	126	5,000
Am. Dock & Improvm't Co. 5's,	1921	4,987,000	J & J	109	Aug.19,'03	109	109	1,000
Lehigh & H. R. gen. gtd g. 5's.	1920	1,062,000	J & J	....	....	....	....	....
Lehigh & W.-B. Coal con. 5's	1912	2,691,000	Q M	100½	Aug. 7,'03	100½	100½	2,000
" con. extended gtd. 4½'s.	1910	12,175,000	Q M	101⅝	Aug.14,'03	101⅝	100	16,000
N.Y. & Long Branch gen. g. 4's.	1941	1,500,000	M & S	....	....	....	....	....
Charleston & Sav. 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	110⅛	July 22,'03	....	....	....
" Mortgage gold 6's	1911	2,000,000	A & O	110½	Aug.14,'03	110⅛	110½	10,000
" 1st con. g. 5's	1939	25,858,000	M & N	115	Aug.28,'03	115	114½	43,000
" registered			M & N	115¾	July 9,'03	....	....	....
" Gen. m. g. 4½'s	1992	34,834,000	M & S	103	Aug.31,'03	103½	101⅛	412,000
" registered			M & S	103	Apr. 18,'01	....	....	....
" Craig Val. 1st g. 5's	1940	650,000	J & J	112	May 14,'03	....	....	....
" (R. & A. d.) 1st c. g. 4's,	1989	6,000,000	J & J	98½	Aug.27,'03	98½	97⅞	12,000
" 2d con. g. 4's	1989	1,000,000	J & J	97½	June22,'03	....	....	....
" Warm S. Val. 1st g. 5's,	1941	400,000	M & S	106⅛	Oct. 20,'02	....	....	....
Greenbrier Ry. 1st gtd. 4's	1940	2,000,000	M & N	....	....	....	....	....
Chic. & Alton R. R. ref. g. 3's	1949	29,696,000	A & O	81¼	Aug.28,'03	81½	80½	169,000
" " registered			A & O	....	....	....	....	....
Chic. & Alton Ry 1st lien g. 3½'s.	1950	22,000,000	J & J	73½	Aug.26,'03	73⅝	70¾	17,000
" registered			J & J	83¾	Apr. 16,'02	....	....	....
Chicago, Burl. & Quincy:								
" Chic. & Iowa div. 5's	1905	2,320,000	F & A	104¾	Apr. 11,'19	....	....	....
" Denver div. 4's	1922	5,077,000	F & A	101	July 16,'03	....	....	....
" Illinois div. 3½s	1949	41,000,000	J & J	90¾	Aug.31,'03	90¾	89½	80,000
" registered			J & J	....	....	....	....	....
" (Iowa div.) sink. f'd 5's,	1919	2,505,000	A & O	109⅛	Aug.24,'03	109⅛	109⅛	3,000
" 4's	1919	8,222,000	A & O	101	Aug.17,'03	101	101	2,000
" Nebraska extensi'n 4's,	1927	25,627,000	M & N	102½	Aug.11,'03	102½	102½	1,000
" registered			M & N	112¾	Apr. 17,'01	....	....	....
" Southwestern div. 4's.	1921	2,750,000	M & S	100	July 20,'03	....	....	....
" 4's joint bonds	1921	215,181,000	J & J	93¼	Aug 31,'03	93¼	87½	1,501,000
" " registered			Q JAN	89½	Aug.18,'03	90	89½	26,000
" 5's, debentures	1913	9,000,000	M & N	105	July 8,'03	....	....	....
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	114	July 10,'03	....	....	....
Chicago & E. Ill. 1st s. f'd c'y. 6's.	1907	2,989,000	J & D	105	July 24,'03	....	....	....
" small bonds			J & D	112	Apr. 2,'96	....	....	....
" 1st con. 6's, gold	1934	2,653,000	A & O	128	July 31,'03	....	....	....
" gen. con. 1st 5's	1937	14,020,000	M & N	114½	Aug.28,'03	114½	113¾	91,000
" registered			M & N	119½	Apr. 13,'03	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	120⅝	Feb. 5,'03	....	....	....
Chicago, Indianapolis & Louisville.								
" refunding g. 6's	1947	4,700,000	J & J	124¼	Aug. 24,'03	124¾	124¼	10,000
" ref. g. 5's	1947	4,142,000	J & J	108	July 24,'03	....	....	....
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	108	Aug.26,'03	108	107⅝	4,000

BOND QUOTATIONS.—Last sale, price and date; highes and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	*Principal Due.*	*Amount.*	*Int'st paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	AUGUST SALES. *High.*	AUGUST SALES. *Low.*	AUGUST SALES. *Total.*
Chicago, Milwaukee & St. Paul.								
Chicago Mil. & St. Paul con. 7's,	1905	1,860,000	J & J	170	July 2,'03	....	....	....
" terminal g. 5's	1914	4,748,000	J & J	110⅛	June22,'03	....	....	....
" gen. g. 4's, series A	1989	23,676,000	J & J	103	Aug.24,'03	103	103	1,000
" registered		....	Q J	111	Dec. 8,'02	...	....	....
" gen. g. 3½'s, series B.	1989	2,500,000	J & J	104¾	Jan. 29,'02	....	....	....
" registered			J & J	....	....	....	....	....
" Chic. & Lake Sup. 5's,	1921	1,360,000	J & J	116⅛	Apr. 29,'03	....	....	....
" Chic. & M. R. div. 5's,	1926	3,083,000	J & J	113¾	Aug. 7,'03	113¾	113¾	1,000
" Chic. & Pac. div. 6's,	1910	3,000,000	J & J	111	July 15,'03	....	....	....
" 1st Chic. & P. W. g. 5's.	1921	25,340,000	J & J	112	Aug.11,'03	112	112	2,000
" Dakota & Gt. S. g. 5's.	1916	2,856,000	J & J	109	Aug.11,'03	109	109	1,000
" Far. & So. g. 6's assu...	1924	1,250,000	J & J	137⅛	July 18,'98	....	....	....
" 1st H'st & Dk. div. 7's,	1910	5,680,000	J & J	116	Aug. 6,'03	116	116	10,000
" 1st 5's	1910	990,000	J & J	107⅝	Aug.28,'02	....	....	....
" 1st 7's, Iowa & D, ex,	1908	1,059,000	J & J	183	Feb. 28,'03	....	....	....
" 1st 5's, La. C. & Dav...	1919	2,500,000	J & J	115	May 4,'03	....	....	....
" Mineral Point div. 5's,	1910	2,840,000	J & J	105¼	July 29,'03	....	....	....
" 1st So. Min. div. 6's....	1910	7,432,000	J & J	110¾	Aug.21,'03	110¾	110⅛	3,000
" 1st 6's, Southw'n div.,	1909	4,000,000	J & J	109⅞	Aug.20,'03	109⅞	109⅞	1,000
" Wis. & Min. div. g. 5's.	1921	4,755,000	J & J	112	July 29,'03	....	....	....
" Mil. & N. 1st M. L. 6's.	1910	2,155,000	J & D	113	May 20,'02	....	....	....
" 1st con. 6's	1913	5,092,000	J & D	116	July 20,'03	....	....	....
Chic. & Northwestern con. 7's...	1915	12,832,000	Q F	130⅛	Aug.26,'03	130⅛	130⅛	8,000
" extension 4's.....	1886–1926	18,632,000	F A 15	104½	May 15,'03	....	....	....
" registered			F A 15	106⅜	Oct. 9,'02	....	....	....
" gen. g. 3½'s	1987	20,538,000	M & N	95⅛	Aug.24,'03	96	95⅛	70,000
" registered			Q F	103	Nov.19,'98	....	....	....
" sinking fund 6's..	1879–1929	5,753,000	A & O	112	May 12,'03	....	....	....
" registered			A & O	110⅛	May 4,'03	....	....	....
" sinking fund 5s'..	1879–1929	6,837,000	A & O	108	Aug.19,'03	108	106⅛	4,000
" registered			A & O	106¾	Mar.30,'03	....	....	....
" deben. 5's	1909	5,900,000	M & N	104¼	Aug.25,'03	105½	104⅛	10,000
" registered			M & N	105½	Dec. 23,'02	....	....	....
" deben. 5's	1921	10,000,000	A & O	108	Aug.20,'03	108	108	1,000
" registered			A & O	114	Oct. 23,'01	....	....	....
" sinking f'd deben. 5's.	1933	9,800,000	M & N	114⅛	Aug.11,'03	114⅛	114⅛	1,000
" registered			M & N	123	May 28,'01	....	....	....
Des Moines & Minn. 1st 7's.....	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's...	1905	1,600,000	M & S	106	Nov. 5,'02	....	....	....
Northern Illinois 1st 5's	1910	1,500,000	M & S	108	Oct. 9,'02	....	....	....
Ottumwa C. F. & St. P. 1st 5's..	1909	1,600,000	M & S	105⅝	May 2,'03	....	....	....
Winona & St. Peters 2d 7's.....	1907	1,592,000	M & N	111⅝	Aug. 5,'03	111⅝	111⅝	3,000
Mil., L. Shore & We'n 1st g. 6's.	1921	5,000,000	M & N	127⅛	Aug. 5,'03	127⅛	127⅛	5,000
" ext. & impt. s. f'd g. 5's	1929	4,148,000	F & A	115	Aug.19,'03	115	114½	3,000
" Ashland div. 1st g. 6's	1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
" Michigan div. 1st g. 6's.	1924	1,281,000	J & J	128⅝	Aug.21,'03	128⅝	128⅝	2,000
" con. deb. 5's	1907	436,000	F & A	107⅛	Feb. 21,'01	....	....	....
" incomes	1911	500,000	M & N	114¼	Sept.17,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup...	1917	12,500,000	J & J	121⅝	Aug.24,'03	121⅝	121¼	10,000
" registered	1917		J & J	120½	July 24,'03	....	....	....
" gen. g. 4's	1988	60,581,000	J & J	100	Aug.31,'03	101	99⅝	553,000
" registered			J & J	107	Jan. 16,'03	....	....	....
" coll. trust serial 4's								
" series B	1904	1,473,000	M & N	98	Aug.18,'03	98	98	2,000
" C	1905	1,473,000	M & N	100⅝	July 2,'02	....	....	....
" D	1906	1,473,000	M & N	....	....	....	....	....
" E	1907	1,473,000	M & N	....	....	....	....	....
" F	1908	1,473,000	M & N	....	....	....	....	....
" G	1909	1,473,000	M & N	....	....	....	....	....
" H	1910	1,473,000	M & N	99⅝	June30,'02	....	....	....
" I	1911	1,473,000	M & N	....	....	....	....	....
" J	1912	1,473,000	M & N	....	....	....	....	....
" K	1913	1,473,000	M & N	....	....	....	....	....
" L	1914	1,473,000	M & N	....	....	....	....	....
" M	1915	1,473,000	M & N	99⅛	July 10,'02	....	....	....
" N	1916	1,473,000	M & N	99⅜	June28,'02	....	....	....
" O	1917	1,473,000	M & N	....	....	....	....	....
" P	1918	1,473,000	M & N	87	Aug. 7,'03	95	82½	27,000
Chic. Rock Is. & Pac. R.R. 4's..	2002	69,557,000	M & N	74	Aug.31,'03	78	72½	1,459,000
" registered			M & N	88¼	Jan. 7,'03	....	....	....
" coll. trust g. 5's	1913	16,888,000	M & S	75½	Aug.31,'03	78	71½	1,636,000
Des Moines & Ft. Dodge 1st 4's.	1905	1,200,000	J & J	97	May 18,'03	....	....	....
" 1st 2½'s	1905	1,200,000	J & J	93	Jan. 28,'03	....	....	....
" extension 4's		672,000	J & J	94¾	Jan. 9,'03	....	....	....
Keokuk & Des M. 1st mor. 5's..	1923	2,750,000	A & O	105⅛	July 24,'03	....	....	....
" small bond	1923	....	A & O	107	Oct. 1,'01	....	....	....

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Chic., St.P., Minn.& Oma.con.6's.1930	14,611,000	J & D	132	July 28,'03	....	....	....
• con.6's reduced to 3½'s.1930	2,000,000	J & D	....	....	....	....	....
Chic., St. Paul & Minn. 1st 6's..1918	1,901,000	M & N	131¼	May 28,'03	....	....	....
North Wisconsin 1st mort. 6's..1930	701,000	J & J	137½	Sept.23,'02	....	....	....
St. Paul & Sioux City 1st 6's....1919	6,070,000	A & O	124	July 18,03	....	....	....
Chic., Term. Trans. R. R. g. 4's..1947	13,635,000	J & J	75	Aug.25,'03	75	72¾	24,000
Chic. & Wn. Ind. gen'l g. 6's......1932	9,773,000	Q M	111½	July 1,'03	....	....	....
Chic. & West Michigan R'y 5's...1921	5,753,000	J & D	109	Apr. 28,'02	....	....	....
Choc., Oklahoma & Glf.gen.g. 5s.1919	5,500,000	J & J	109	Mar. 10,'03	....	....	....
• con. g. 5's..................1952	5,411,000	M & N	....	....	....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's.1905	927,000	A & O	111½	Dec. 9,'01	....	....	....
• 2d g. 4½'s...............1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's..1941	3,500,000	M & N	111¼	June23,'03	....	....	....
Clev., Cin., Chic.& St.L. gen.g. 4's..1993	17,657,000	J & D	96	Aug.31,'03	96	95	72,000
• do Cairo div. 1st g. 4's..1939	5,000,000	J & J	101½	Oct. 8,'02	....	....	....
Cin., Wab. & Mich. div. 1st g. 4's.1991	4,000,000	J & J	95	Aug.20,'03	95	95	1,000
St. Louis div. 1st col. trust g.4's.1990	9,750,000	M & N	101	July 30,'03	....	....	....
• registered.................			103	Oct. 10,'02	....	....	....
Sp'gfield & Col. div. 1st g. 4's...1940	1,035,000	M & S	102	Dec. 9,'02	....	....	....
White W. Val. div. 1st g. 4's....1940	650,000	J & J	94½	Aug.31,'03	94½	94½	2,000
Cin., Ind., St. L. & Chic. 1st g.4's.1936	7,685,000	Q F	104	June26,'03	....	....	....
• registered.................			95	Nov. 15,'94	....	....	....
• con. 6's.................1920	668,000	M & N	107½	June 30,'93	....	....	....
Cin., S'dusky & Clev. con. 1st g.5's 1928	2,571,000	J & J	114¼	June17,'03	....	....	....
Clev., C., C. & Ind. con. 7's......1914	3,991,000	J & D	120	July 28,'02	....	....	....
• sink. fund 7's.........1914		J & D	119⅝	Nov. 19,'89	....	....	....
• gen. consol 6's........1934	3,205,000	J & J	127½	Aug.21,'03	127½	127½	2,000
• registered.................		J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's.1940	981,500	A & O	104½	Nov.19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's....1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's...1940	8,103,000	A & O	95¾	Aug.24,'03	95¾	93	55,000
• income 4's.............1990	4,000,000	A	62	Aug.24,'03	62	55	125,000
Clev., Lorain & Wheel'g con. 1st 5's 1933	5,000,000	A & O	110	Aug.14,'03	110	110	5,000
Clev., & Mahoning Val. gold 5's..1938	2,936,000	J & J	127½	Jan. 25,'02	....	....	....
• registered...................		Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's...........1947	8,946,000	J & J	70	July 30,'03	....	....	....
Colorado & Southern 1st g. 4's...1929	18,650,000	F & A	83¾	Aug.31,'03	85	83	135,000
Conn., Passumpsic Riv's 1st g. 4's.1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's..1907	3,067,000	M & S	114	July 7,'03	....	....	....
Morris & Essex 1st m 7's........1914	5,000,000	M & N	130½	July 24,'03	....	....	....
• 1st c. gtd 7's...........1915	11,677,000	J & D	130¾	Aug. 7,'03	130¾	130¾	1,000
• registered.................		J & D	140	Oct. 26,'98	....	....	....
• 1st refund.gtd.g.3½'s.2000	7,000,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's...1921	12,000,000	J & J	126¾	Aug.21,'03	126⅞	126¾	7,000
• const. 5's..............1923	5,000,000	F & A	108¾	Aug.17,'03	108¾	108¾	10,000
• terml. imp. 4's..........1923	5,000,000	M & N	102½	Aug.12,'03	102½	102½	23,000
Syracuse, Bing. & N. Y. 1st 7's..1906	1,966,000	A & O	109¾	June30,'03	....	....	....
Warren Rd. 1st rfdg.gtd g.3½'s.2000	905,000	F & A	102	Feb. 2,'03	....	....	....
Delaware & Hudson Canal.							
• 1st Penn. Div. c. 7's...1917	5,000,000	M & S	136½	July 29,'03	....	....	....
• reg....................1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's.....1906	3,000,000	A & O	109	July 27,'03	....	....	....
• registered.................		A & O	122	June 6,'99	....	....	....
• 6's.....................1906	7,000,000	A & O	105¼	June10,'03	....	....	....
• registered.................		A & O	109½	Nov. 16,'01	....	....	....
Rens. & Saratoga 1st c. 7's......1921	2,000,000	M & N	143¾	Nov. 10,'02	....	....	....
• 1st r 7's................1921		M & N	147¾	June18,'03	....	....	....
Denver & Rio G. 1st con. g. 4's...1936	33,450,000	J & J	98¾	Aug.31,'03	99	97½	123,000
• con. g. 4½'s.............1936	6,382,000	J & J	106⅝	May 22,'03	....	....	....
• impt. m. g. 5's............1928	8,103,500	J & D	105	Aug.25,'03	106½	105	2,000
Denv. & Southern Ry g. s. fg. 5's.1929	4,923,000	J & D	60	Aug.18,'03	61	60	6,000
Des Moines Union Ry 1st g. 5's..1917	623,000	M & N	111	Feb. 28,'01	....	....	....
Detroit & Mack. 1st lien g. 4s......1995	900,000	J & D	100½	July 22,'03	....	....	....
• g. 4s....................1995	1,250,000	J & D	91	July 17,'03	....	....	....
Detroit Southern 1st g. 4's.......1951	2,866,000	J & D	75½	Aug.25,'03	75½	75½	10,000
• Ohio South. div. 1st g.4's.1941	4,281,000	M & S	89¾	May 14,'03	....	....	....
Duluth & Iron Range 1st 5's......1937	6,734,000	A & O	109	Aug.12,'03	110	109	5,000
• registered.................		A & O	101½	July 23,'89	....	....	....
• 2d l m 6s.................1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's..1937	4,000,000	J & J	115	June16,'03	....	....	....
Elgin Joliet & Eastern 1st g 5's..1941	3,500,000	M & N	114¾	Aug.29,'03	115	114¾	16,000

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Erie 1st ext. g. 4's.................1947	2,482,000	M & N	114	May 25,'03	....	....	....
" 2d extended g. 5's.....1919	2,149,000	M & S	113¼	May 2,'03	....	....	....
" 3d extended g. 4½'s...1923	4,618,000	M & S	112	Aug.15,'03	112	112	7,000
" 4th extended g. 5's....1920	2,926,000	A & O	117	Dec. 19,'02	....	....	....
" 5th extended g. 4's....1928	709,500	J & D	101⅞	June26,'03	....	....	....
" 1st cons gold 7's.......1920	16,390,000	M & S	134	July 13,'03	....	....	....
" 1st cons. fund g. 7's....1920	3,699,500	M & S	130	Aug. 7,'03	130	130	3,000
Erie R.R. 1st con.g-4s prior bds.1996	34,000,000	J&J	96½	Aug.31,'03	96⅞	96	184,000
" registered................		J&J	97	May 15,'03	....	....	....
" 1st con. gen. lien g. 4s.1996	34,385,000	J&J	83	Aug.31,'03	83	79½	494,000
" registered................		J&J	....	....	....	....	....
" Penn. col. trust g. 4's.1951	32,000,000	F & A	90	Aug.27,'03	91	87	70,000
Buffalo, N. Y. & Erie 1st 7's.....1916	2,380,000	J & D	125½	June17,'03	....	...	....
Buffalo & Southwestern g. 6's..1908	1,500,000	J&J	....	....	....	....	....
" small		J&J	....	....	....	....	....
Chicago & Erie 1st gold 5's.....1982	12,000,000	M & N	117½	Aug. 5,'03	118	117½	10,000
Jefferson R. R. 1st gtd g. 5's....1909	2,800,000	A & O	106	Aug. 5,'02	....	....	....
Long Dock consol. g. 6's.......1935	7,500,000	A & O	134½	June30,'03	....	....	....
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's..........1922	1,100,000	M&N	113¾	Dec. 17,'02	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's..........1913	3,396,000	J&J	118½	Apr. 23,'02	....	....	....
N. Y. & Greenw'd Lake gt g 5's..1946	1,453,000	M&N	109	Oct. 27,'98	....	....	....
" small......................							
Midland R. of N. J. 1st g. 6's...1910	3,500,000	A & O	110	Aug.28,'03	110	110	6,000
N.Y., Sus.&W. 1st refdg. g. 5's..1937	3,750,000	J & J	108	Aug.27,'03	108	108	1,000
" 2d g. 4½'s...............1937	453,000	F & A	101⅜	May 19,'03	....	....	....
" gen. g. 5's..............1940	2,546,000	F & A	99	Aug.11,'03	99	99	2,000
" term. 1st g. 5's.........1943	2,000,000	M & N	108	May 1,'03	....	....	....
" registered......$5,000 each		M & N	....	....	....	....	....
Wilkesb. & East. 1st gtd g. 5's..1942	3,000,000	J & D	107½	July 9,'03	....	....	....
Evans. & Terre Haute 1st con. 6's.1921	3,000,000	J & J	121	June23,'03	....	....	....
" 1st General g 5's.........1942	2,223,000	A & O	104	June22,'03	....	....	....
" Mount Vernon 1st 6's...1923	375,000	A & O	112	June 2,'02	....	....	....
" Sul. Co. Bch. 1st g 5's...1930	450,000	A & O	95	Sept.15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's....1926	1,591,000	J & J	115	May 28,'02	....	....	....
Florida Cen. & Penins. 1st g 5's...1918	3,000,000	J & J	100	Sept. 6,'99	....	....	....
" 1st land grant ex. g 5's..1930	423,000	J & J	....	....	....	....	....
" 1st con. g 5's.............1943	4,370,000	J & J	106½	Feb. 26,'02	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s.1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D. C. ctfs.dep.1st 6's..1921	3,176,000	......	104	Aug.26,'03	104½	103	26,000
Ft. Worth & Rio Grande 1st g 5's.1928	2,863,000	J & J	80	Aug.21,'03	80	80	3,000
Galveston H. & H. of 1882 1st 5s..1913	2,000,000	A & O	103	Apr. 20,'03	....	....	....
Geo. & Ala. 1st con. g 5s.........1945	2,922,000	J & J	106¼	Aug.21,'03	106¼	106¼	10,000
Ga. Car. & N. Ry. 1st gtd. g. 5's..1927	5,360,000	J & J	107	July 28,'03	....	....	....
Gulf & Ship Isl. 1st refg.&ter.5's..1952	4,591,000	J & J	102⅞	Aug.28,'03	103	102⅞	27,000
" registered..................		J & J	....	....	....	....	....
Hock. Val. Ry. 1st con. g. 4½'s...1999	12,157,000	J & J	104⅛	Aug.27,'03	105	104	74,000
" registered..............		J & J	....	....	....	....	....
Col. Hock's Val. 1st ext. g. 4's.1848	1,401,000	A & O	100	June20,'03	....	....	....
Illinois Central, 1st g. 4's..........1951	1,500,000	J&J	112¼	May 28,'03	....	....	....
" registered................		J&J	113½	Mar. 12,19'	....	....	....
" 1st gold 3½'s...........1951	2,499,000	J&J	102	May 21,'03	....	....	....
" registered................		J&J	94	Mar.28,'03	....	....	....
" 1st g 3s sterl. £500,000..1951	2,500,000	M & S	92½	July 13,'96	....	....	....
" registered................		M & S	....	....	....	....	....
" total outstg....$13,950,000							
" collat. trust gold 4's..1952	15,000,000	A & O	104	July 31,'03	....	....	....
" regist'd..................		A & O	102	Oct. 4,'01	....	....	....
" col.t.g.4sL.N.O.&Tex.1953	24,679,000	M & N	102¾	Aug.11,'03	103½	102¾	14,000
" registered................		M & N	104⅝	May 20,'02	....	....	....
" Cairo Bridge g 4's.....1950	3,000,000	J & D	106½	Mar. 7,'03	....	....	....
" registered................		J & D	123	May 24,'99	....	....	....
" Louisville div.g. 3½'s.1953	14,320,000	J & J	99	Aug.24,'03	99	93	51,000
" registered................		J & J	88½	Dec. 8,'99	....	....	....
" Middle div. reg. 5's...1921	600,000	F & A	95	Dec. 21,'99	....	....	....
" St. Louis div. g. 3's....1951	4,939,000	J & J	85¾	Aug.14,'02	85¾	85¾	23,000
" registered................		J & J	101¼	Jan. 31,19'	....	....	....
" g. 3½'s..................1951	6,321,000	J & J	97	June10,'03	....	....	....
" registered................		J & J	101⅛	Sept. 10,'95	....	....	....
" Sp'gfield div 1st g 3½'s,1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
" registered................		J & J	124	Dec. 11,'99	....	....	....
" West'n Line 1st g. 4's, 1951	5,425,000	F & A	107⅜	May 27,'03	....	....	....
" registered................		F & A	101½	Jan. 31,'91	....	....	....
Belleville & Carodt 1st 6's......1923	470,000	J & D	124	May 16,'03	....	....	....

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Carbond'e & Shawt'n 1st g. 4's,	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's....	1951	16,555,000	J D 15	125⅛	Jan. 12,'03	....	....	....
• gold 5's, registered........			J D 15	128¼	Nov. 18,'01	....	....	....
• g. 3½'s..................	1951	1,352,000	J D 15	104⅝	Apr. 11,'02	....	....	....
• registered................			J D 15	106¼	Aug. 17,'99	....	....	....
• Memph. div. 1st g. 4's,	1951	3,500,000	J & D	106⅛	Jan. 28,'03	....	....	....
• registered................			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's,	1931	538,000	M & S	101	Mar. 3,'02	....	....	....
Ind., Dec. & West. 1st g. 5's......	1935	1,824,000	J & J	107½	Mar. 28,'03	....	....	....
• 1st gtd. g. 5's............	1935	933,000	J & J	107½	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's..	1950	4,850,000	J & J	98½	July 31,'03	....	....	....
Internat. & Gt. N'n 1st. 6's, gold.	1919	10,742,000	M & N	118½	Aug. 18,'03	118½	118½	7,000
• 2d g. 5's..................	1909	9,842,000	M & S	96¼	Aug. 22,'03	96¼	95	23,000
• 3d g. 4's..................	1921	2,730,000	M & S	74¼	Feb. 20,'03	....	....	....
Iowa Central 1st gold 5's.........	1938	7,650,000	J & D	108½	Aug. 18,'03	108½	108	4,000
• refunding g. 4's ...	1951	2,000,000	M & S	92	Aug. 25,'03	92	92	1,000
Kansas C. & M. R. & B. Co. 1st gtd g. 5's..........................	1929	3,000,000	A & O	....	....	....	....	....
Kansas City Southern 1st g. 3's..	1950	30,000,000	A & O	67¼	Aug. 31,'03	67¼	65½	262,000
• registered..................			A & O	68¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's...	1937	7,250,000	J & J	116	Aug. 20,'03	116	115½	7,000
• 2d mtge. g. 5's...........	1941	3,625,000	J & J	110	Aug. 14,'03	110	109¼	16,000
Northern Ohio 1st gtd g 5's..	1945	2,500,000	A & O	111	June 29,'03	....	....	....
Lehigh Val. (Pa.) coll. g. 5's.....	1997	8,000,000	M & N	110	Feb. 3,'02	....	....	....
• registered..................			M & N	....	....	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s.	1940	15,000,000	J&J	106½	Aug. 3,'03	106½	106½	4,000
• registered..................		....	J&J	109½	June 18,'02	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.	1941	10,000,000	A & O	113⅝	June 1,'03	....	....	....
• registered..................			A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's.	1933	10,280,000	J & J	108½	Sept. 8,'01	....	....	....
• registered..............	1933		J & J	....	....	....	....	....
Lehigh & N. Y., 1st gtd g. 4's.....	1945	2,000,000	M&S	95	June 17,'03	....	....	....
• registered..................			M&S	....	....	....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....	....	....	....	....
• • g. gtd 5's.......	1914	1,250,000	A & O	100	Mar. 25,'99	....	....	....
Long Island 1st cons. 5's..........	1931	3,610,000	Q J	113½	Aug. 25,'03	113½	113½	3,000
• 1st con. g. 4's............	1931	1,121,000	Q J	101	Nov. 22,'99	....	....	....
Long Island gen. m. 4's.........	1938	3,000,000	J & D	99¼	Aug. 25,'03	99¼	99¼	1,000
• Ferry 1st g. 4½'s......	1922	1,500,000	M & S	100½	June 12,'03	....	....	....
• g. 4's..................	1932	325,000	J & D	102½	May 5,'97	....	....	....
• unified g. 4's............	1949	6,860,000	M & S	99⅞	July 15,'03	....	....	....
• deb. g. 5's........	1934	1,135,000	J & D	111	Jan. 22,'02	....	....	....
Brooklyn & Montauk 1st 6's....	1911	250,000	M & S	....	....	....	....	....
• 1st 5's..................	1911	750,000	M & S	105¼	Mar. 3,'03	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's, ..	1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's,	1927	883,000	M & S	112½	Jan. 10,'02	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's,	1932	1,425,000	QJAN	112½	Apr. 9,'02	....	....	....
Louis. & Nash. gen. g. 6's.......	1930	8,584,000	J & D	116	Aug. 31,'03	116	116	10,000
• gold 5's................	1937	1,764,000	M & N	111	Aug. 12,'03	111	111	6,000
• Unified gold 4's.......	1940	29,677,000	J & J	98½	Aug. 28,'03	99	97½	215,000
• registered	1940		J & J	83	Feb. 27,'98	112¼	112¼	9,000
• collateral trust g. 5's,	1931	5,129,000	M & N	112¼	July 24,'03	....	....	....
• E., Hend. & N. 1st 6's..	1919	1,785,000	J & D	112¼	Aug. 10,'03	124¼	124¼	3,000
• L. Cin. & Lex. g. 4½'s,..	1931	3,258,000	M & N	108¼	Jan. 30,'03	....	....	....
• N.O. & Mobile 1st g. 6's..	1930	5,000,000	J & J	124¼	Aug. 31,'03	122¾	122¾	5,000
• 2d g. 6's...............	1930	1,000,000	J & J	122¾	Aug. 31,'03	....	....	....
• Pensacola div. g. 6's...	1920	580,000	M & S	116⅝	Mar. 22,'02	....	....	....
• St. Louis div. 1st g. 6's.	1921	3,500,000	M & S	125½	Aug. 12,'02	....	....	....
• 2d g. 3's...............	1980	3,000,000	M & S	75	June 20,'02	....	....	....
• H. B'ge 1st sk'fd. g 6's.	1931	1,587,000	M & S	....	....	....	....	....
• Ken. Cent. g. 4's......	1987	6,742,000	J & J	97½	June 23,'03	....	....	....
• L. & N. & Mob. & Montg 1st. g. 4½s..........	1945	4,000,000	M & S	107½	June 2,'02	....	....	....
• South. Mon. joint 4's.	1952	11,788,000	J & J	86	Aug. 31,'03	86	84	74,000
• registered..............			Q Jan	....	....	....	....	....
• N. Fla. & S. 1st g. g. 5's,	1937	2,096,000	F & A	113	July 27,'03	....	....	....
• Pen. & At. 1st g. g. 6's,	1921	2,550,000	F & A	110	Aug. 14,'03	110	110	6,000
• S. & N. A. con. gtd. g. 5's.	1936	3,673,000	F & A	115	Dec. 5,'01	....	....	....
• So. & N. Ala. si'fd. g. 6s,	1910	1,942,000	A & O	110	Mar. 23,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's.	1945	3,000,000	M & S	100	Mar. 19,'01	....	....	....
Manhattan Railway Con. 4's.....	1990	28,065,000	A & O	101¾	Aug. 28,'03	102	100	148,000
• registered..................			A & O	103⅝	Dec. 17,'02	....	....	....

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Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	108⅝	Aug.31,'03	108⅝	108	7,000
Manitoba Swn. Coloniza'n g. 5's,	1934	2,544,000	J & D					
Mexican Central.								
" con. mtge. 4's	1911	65,643,000	J & J	74	Aug.27,'03	74	70	52,000
" 1st con. inc. 3's	1939	20,511,000	JULY	17⅛	Aug.31,'03	17⅛	14	1,617,000
" 2d 3's	1939	11,724,000	JULY	10	Aug.31,'03	11	8⅛	471,000
" equip. & collat. g. 5's	1917	650,000	A & O					
" 2d series g. 5's	1919	765,000	A & O					
" col.trust g.4½'s 1st se of	1907	10,000,000	F & A	93¼	Aug.21,'03	93¾	92⅛	109,000
Mexican Internat'l 1st con g. 4's	1977	8,362,000	M & S	90⅝	July 29,'01			
" stamped gtd		3,621,000						
Mexican Northern 1st g. 6's	1910	1,061,000	J & D					
" registered			J & D	105	May 2,19'			
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	143	Aug.25,'03	143	143	3,000
" Iowa ext. 1st g. 7's	1909	1,015,000	J & D	116¾	Feb. 24,'03			
" Pacific ext. 1st g. 6's	1921	1,382,000	J & A	123½	Apr. 29,'03			
" Southw. ext. 1st g. 7's	1910	636,000	J & D	121	Jan. 21,'02			
" 1st con. g. 5's	1934	5,000,000	M & N	112	Aug.28,'03	112	109	7,000
" 1st & refunding g. 4's	1949	7,600,000	M & S	97½	Aug.28,'03	98⅛	97	19,000
Minneapolis & Pacific 1st m. 5's	1936	3,208,000	J & J	102	Mar.26,'87			
" stamped 4's pay. of int. gtd.								
Minn., S. S. M. & Atlan. 1st g. 4's	1926	8,280,000	J & J	103	Nov.11,'01			
" stamped pay. of int. gtd.				89¾	June 18,'91			
Minn., S. P. & S. S. M., 1st c. g. 4's	1938	21,949,000	J & J	98	Apr. 3,'01			
" stamped pay. of int. gtd.								
Missouri, K. & T. 1st mtge g. 4's	1990	40,000,000	J & D	97	Aug.31,'03	97⅛	94	162,500
" 2d mtge. g. 4's	1990	20,000,000	F & A	78	Aug.31,'03	78½	75	130,000
" 1st ext gold 5's	1944	2,868,000	M & N	99⅛	Aug.28,'03	102	98	19,000
St. Louis div. 1st refundg 4s	2001	1,852,000	A & O	86	Oct. 16,'02			
Dallas & Waco 1st gtd. g. 5's	1940	1,340,000	M & N	106¼	Sept.20,'02			
Mo. K.&T. of Tex 1st gtd.g. 5's	1942	3,907,000	M & S	102⅝	Aug.28,'03	102⅝	99	111,000
Sher.Shrevept & So 1st gtd.g.5's	1943	1,689,000	J & D	106	Aug.21,'03	106	105¼	10,000
Kan. City & Pacific 1st g. 4's	1990	2,500,000	F & A	90	May 14,'03			
Mo. Kan. & East'n 1st gtd. g. 5's	1942	4,000,000	A & O	108⅛	Aug.27,'03	109	108⅛	3,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	118	Aug. 5,'03	118	118	7,000
" 3d mortgage 7's	1906	3,828,000	M & N	107	Aug.28,'03	107⅛	107	8,000
" trusts gold 5's stamp'd	1917	14,376,000	M & S	105	Aug.31,'03	105	104	76,000
" registered			M & S					
" 1st collateral gold 5's	1920	9,636,000	F & A	103	Aug.31,'03	103	101⅛	101,000
" registered			F & A					
Cent. Branch Ry. 1st gtg. g. 4's	1919	3,459,000	F & A	92	July 14,'03			
Leroy & Caney Val. A. L. 1st 5's	1926	520,000	J & J	100	May 1,'01			
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	101⅝	Aug.10,'03	101⅝	101⅝	5,000
" 2d extended g. 5's	1938	2,573,000	F & A	112	Apr. 13,'03			
St. L. & I. g. con. R.R.&l.gr. 5's	1931	36,258,000	A & O	111	Aug.29,'03	111⅛	110	207,000
" stamped gtd gold 5's	1931	6,945,000	A & O	111	Aug. 3,'03	111	111	10,000
" unify'g & rfd'g g. 4's	1929	25,726,000	J & J	85⅛	Aug.28,'03	85⅛	84⅛	397,000
" registered			J & J					
Verdigris V'y Ind. & W. 1st 5's	1926	750,000	M & S					
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	109	Aug.31,19'			
" small		226,000	J & J	90	Feb. 4,'03			
" mtg. g. 4's	1945	700,000	J & J	93	Apr. 25,'02			
" small		500,000						
Mob. Jackson&Kan.City 1st g.5's	1946	1,000,000	J & D	102	July 25,'02			
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	122¼	Aug.28,'03	122¾	122	5,000
" 1st extension 6's	1927	974,000	J & D	124⅝	Apr. 28,'03			
" gen. g. 4's	1938	9,472,000	Q J	91¾	Aug.19,'03	91¾	91¾	4,000
" Montg'rydiv.1st g.5's	1947	4,000,000	F & A	114	Mar.30,'03			
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	93	Feb. 3,'03			
" collateral g. 4's	1930	2,494,000	Q F	96½	Nov.30,'01			
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	124	June24,'03			
" 1st cons. g. 5's	1928	7,412,000	A & O	110	Aug.24,'03	111	110	3,000
" 1st g.6's Jasper Branch	1923	371,000	J & J	123	Mar.28,'01			
" 1st 6's McM. M.W. & Al.	1917	750,000	J & J	116	July 31,'02			
" 1st 6's T. & Pb.	1917	300,000	J & J	110	Dec. 20,'99			
Nat.R.R.of Mex. prior lien g.4½'s	1926	20,000,000	J & J	101½	Aug.19,'03	101⅛	98⅛	45,000
" 1st con. g. 4's	1951	22,900,000	A & O	77	Aug.29,'03	77	74⅛	189,000
N. O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108½	Aug.13,'94			

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N.Y. Cent. & Hud. R. g. mtg. 3½s.	1997	65,500,000	J & J	95¼	Aug. 31, '03	96	95	782,000
" " registered			J & J	94¼	Aug. 4, '03	95⅛	95	228,000
" debenture 5's	1884-1904	4,480,000	M & S	101⅝	July 29, '03	....	....	....
debenture 5's reg.			M & S	100⅛	June 26, '03	....	....	....
" reg. deben. 5's	1889-1904	639,000	M & S	103⅛	Apr. 30, '01	....	....	....
" debenture g. 4's	1890-1905	5,094,000	J & D	99¾	June 1, '03	....	....	....
" registered			J & D	99	Dec. 12, '02	....	....	....
" deb. cert. ext. g. 4's	1905	3,581,000	M & N	100⅝	Apr. 28, '03	....	....	....
" registered			M & N	99½	Nov. 8, '02	....	....	....
Lake Shore col. g. 3½s	1998	90,578,000	F & A	89	Aug. 31, '03	90	88	100,000
" registered			F & A	88¼	Aug. 19, '03	88¼	88¼	4,000
Michigan Central col. g. 3½s	1998	19,336,000	F & A	86½	Aug. 10, '03	89	86	53,000
" registered			F & A	91	Jan. 17, '03	....	....	....
Beech Creek 1st. gtd. 4's	1936	5,000,000	J & J	108½	June 9, '03	....	....	....
" registered			J & J	106	June 17, '98	....	....	....
" 2d gtd. g. 5's	1936	500,000	J & J	....	....	....	....	....
" registered		....	J & J	....	....	....	....	....
" ext. 1st. gtd. g. 3½'s	1951	4,500,000	A & O	....	....	....	....	....
" registered			A & O	....	....	....	....	....
Carthage & Adiron. 1st gtd g. 4's	1981	1,100,000	J & D	....	....	....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A.	1940	770,000	J & J	95	Apr. 3, '02	....	....	....
" small bonds series B		33,100	J & J	....	....	....	....	....
Gouv. & Oswega. 1st gtd g. 5's	1942	300,000	J & D	....	....	....	....	....
Mohawk & Malone 1st gtd g. 4's	1991	2,500,000	M & S	107¼	July 6, 19'	....	....	....
" inc. 5's	1992	3,900,000	Sept.	110¼	Dec. 6, '01	....	....	....
N. Jersey Junc. R. R. g. 1st 4's	1986	1,650,000	F & A	105	Oct. 10, '02	....	....	....
" reg. certificates			F & A	....	....	....	....	....
N.Y. & Putnam 1st con. gtd g. 4's	1993	4,000,000	A & O	105½	Nov. 15, '96	....	....	....
Nor. & Montreal 1st g. gtd 5's	1916	130,000	A & O	....	....	....	....	....
West Shore 1st guaranteed 4's	2361	50,000,000	J & J	109	Aug. 18, '03	109	107¼	17,000
" registered			J & J	107	Aug. 26, '03	107	106	24,000
Lake Shore con. 2d 7's	1903	6,312,000	J & D	101⅞	Aug. 19, '03	101⅞	101⅛	8,000
" con. 2d registered	1903		J & D	101⅛	Aug. 10, '03	101⅛	101⅛	15,000
" g 3½s	1997	43,820,000	J & D	98	July 31, '03	....	....	....
" registered			J & D	105	Jan. 6, '03	....	....	....
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	114	Feb. 6, '02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's	1988	840,000	J & J	....	....	....	....	....
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	124	Jan. 5, '03	....	....	....
Pitt McK'port & Y. 1st gtd 6's	1932	2,250,000	J & J	139	Jan. 21, '03	....	....	....
" 2d gtd 6's	1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J	....	....	....	....	....
Michigan Cent. 6's	1909	1,500,000	M & S	112	May 18, '03	....	....	....
" 5's	1931	3,576,000	M & S	123¼	Mar. 13, '03	....	....	....
" 5's reg	1931		Q M	127	June 19, '02	....	....	....
" 4's	1940	2,600,000	J & J	110	Dec. 7, '01	....	....	....
" 4's reg			J & J	106½	Nov. 26, 19'	....	....	....
" g. 3½'s sec. by 1st mge. on J. L. & S.		2,000,000	M & S	....	....	....	....	....
" 1st g. 3½'s	1952	10,000,000	M & N	....	....	....	....	....
Battle C. Sturgis 1st g. g. 3's	1989	476,000	J & D	....	....	....	....	....
N. Y. & Harlem 1st mort. 7's c.	1900	12,000,000	M & N	102¾	Mar. 13, 19'	....	....	....
" 7's registered	1900		M & N	102¾	Apr. 6, 19'	....	....	....
N. Y. & Northern 1st g. 5's	1927	1,200,000	A & O	119½	Dec. 3, '02	....	....	....
R. W. & Og. con. 1st ext. 5's	1922	2,061,000	A & O	117	July 20, '03	....	....	....
coup. g. bond currency			A & O	....	....	....	....	....
Oswego & Rome 2d gtd gold 5's	1915	400,000	F & A	113¾	Jan. 25, '02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's	1918	375,000	M & N	....	....	....	....	....
Utica & Black River gtd g. 4's	1922	1,800,000	J & J	107⅜	Feb. 2, '03	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	102¼	Aug. 31, '03	102¾	101⅛	70,000
" registered			A & O	103	May 14, '03	....	....	....
N. Y., N. Haven & Hartford.								
Housatonic R. con. g. 5's	1937	2,838,000	M & N	131¾	Apr. 29, '03	....	....	....
New Haven and Derby con. 5's	1918	575,000	M & N	115¼	Oct. 15, '94	....	....	....
N. Y. & New England 1st 7's	1905	6,000,000	J & J	106¼	May 14, '03	....	....	....
" 1st 6's	1905	4,000,000	J & J	105	May 12, '03	....	....	....
N.Y., Ont. & W'n. ref'ding 1st g. 4's	1992	16,937,000	M & S	100	Aug. 27, '03	101	99⅝	41,000
" registered......$5,000 only.		....	M & S	101	May 15, '03	....	....	....
Norfolk & Southern 1st g. 5's	1941	1,380,000	M & N	114	Feb. 4, '03	....	....	....
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	130	Aug. 20, '03	130	130	1,000
" imp'ment and ext. 6's	1934	5,000,000	F & A	128	Apr. 1, '03	....	....	....
" New River 1st 6's	1932	2,000,000	A & O	132¼	Jan. 16, '03	....	....	....

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Norfolk & West. Ry 1st con. g. 4s.1996		A & O	97	Aug.31,'03	97½	96	508,000
" registered.........	36,210,500	A & O	93	Aug.20,'03	93	93	1,000
" small bonds.................		A & O	....	....	....	....	....
" Pocahon C.&C.Co.jt.4's.1941	20,000,000	J & D	89¼	Aug.31,'03	89¼	88¾	113,000
" C. C. & T. 1st g. t. g g 5's1922	600,000	J & J	107½	July 1,'01	....	....	....
" Sci'o Val & N.E.1st g.4's,1989	5,000,000	J & N	97½	Aug.25,'03	97½	97	9,000
N. P. Ry prior ln ry.&ld.gt.g.4's..1997	100,392,500	Q J	100⅞	Aug.31,'03	100⅞	99½	960,500
" registered..................		Q J	100⅞	Aug.19,'03	100⅞	99⅞	15,000
" gen. lien g. 3's..........2047	56,000,000	Q F	70⅝	Aug.31,'03	71½	70⅛	315,000
" registered..................		Q F	70½	Mar. 9,'03	....	....	....
St. Paul & Duluth div. g. 4's...1996	9,215,000	J & D	101	June16,'02	....	....	....
" registered........		J & D	....	....	....	....	....
St. Paul & N. Pacific gen g. 6's.1923	7,985,000	F & A	121	Aug.25,'03	121	121	5,000
" registered certificates....		Q F	132	July 28,'98	....	....	....
St. Paul & Duluth 1st 5's.......1931	1,000,000	F & A	112¼	July 21, 03	....	....	....
" 2d 5's..................1917	2,000,000	A & O	110	Oct. 6,'02	....	....	....
" 1st con. g. 4's..........1968	1,000,000	J & D	96½	Mar. 3,'03	....	....	....
Washington Cen. Ry 1st g. 4's..1948	1,538,000	QMCH	94½	Feb. 19,'01	....	....	....
Nor. Pacific Term. Co. 1st g. 6's..1933	3,665,000	J & J	111	Aug. 5,'03	111	111	1,000
Ohio River Railroad 1st 5's.......1936	2,000,000	J & D	114½	May 4,'02	....	....	....
" gen. mortg. g 6's........1937	2,428,000	A & O	108½	July 9,02'	....	....	....
Pacific Coast Co. 1st g. 5's........1946	4,446,000	J & D	102¼	Aug.28,'03	104	101½	25,000
Panama 1st sink fund g. 4½'s....1917	2,386,000	A & O	102	Apr. 21,'03	....	....	....
" s. f. subsidy g 6's........1910	1,049,000	M & N	102	Apr. 14,'02	....	....	....
Pennsylvania Railroad Co.							
Penn. Co.'s gtd. 4½'s, 1st.......1921	19,467,000	J & J	107¾	July 1,'03	....	....	....
" reg 1921		J & J	106	Mar. 26,'03	....	....	....
" gtd.3½ coi.tr.reg. cts..1937	5,000,000	M & S	96½	Dec. 11,'02	....	....	....
" gtd.3½ col.tr.cts.serB 1941	10,000,000	F & A	96	Mar. 19,'03	....	....	....
" Trust Co. ctfs. g. 3½'s.1916	18,666,000	M & N	95	July 16,'03	....	....	....
Chic., St. Louis & P. 1st c. 5's..1932	1,506,000	A & O	122¼	Feb. 9,'03	....	....	....
" registered................	....	A & O	110	May 3,'92	....	....	....
Cin., Leb. & N. 1st con.gtd.g.4's.1942	1,063,000	J & J	....	....	....	....	....
Clev.&P.gen.gtd.g.4½'s Ser. A.1942	3,000,000	J & J	108¼	Aug.21,'03	108¼	108¼	10,000
" Series B...............1942	1,561,000	A & O	....	....	....	....	....
" " int. reduc. 3½ p.c.	439,000	......	....	....	....	....	....
" Series C 3½s 1948	3,000,000	M & N	....	....	....	....	....
" Series D 3½s..........1950	1,933,000	F & A	....	....	....	....	....
E.&Pitts. gen.gtd.g.3½s Ser.B..1940	2,250,000	J & J	102	Nov. 7,19'	....	....	....
" " " C..1940	1,508,000	J & J	....	....	....	....	....
Newp. & Cin. Bge Co. gtd g. 4's..1945	1,400,000	J & J	....	....	....	....	....
Pitts., C. C. & St. L. con. g 4½'s..							
" Series A 1940	10,000,000	A & O	110¼	June 3,'03	....	....	....
" Series B gtd..........1942	8,786,000	A & O	110⅜	June18,'03	....	....	....
" Series C gtd..........1942	1,379,000	M & N	116½	Feb. 14,'01	....	....	....
" Series D gtd. 4's......1945	4,983,000	M & N	106¼	Nov.19,'02	....	....	....
" Series E gtd. g. 3½s...1949	10,840,000	F & A	96	Jan. 13,'03	....	....	....
Pitts., Ft. Wayne & C. 1st 7's..1912	2,407,000	J & J	127⅝	Oct. 21,'02	....	....	....
" 2d 7's..................1912	2,047,500	J & J	128	Jan. 26,'03	....	....	....
" 3d 7's..................1912	2,000,000	A & O	120	Mar. 16,'03	....	....	....
Tol Walhonding Vy.&O.1st gtd.bds							
4½'s series A..........1931	1,500,000	J & J	....	....	....	....	....
" 4½'s series B..........1933	978,000	J & J	....	....	....	....	....
" 4's series C..........1942	1,492,000	M & S	....	....	....	....	....
Penn. RR. Co. 1st Rl Est. g 4's...1923	1,675,000	M & N	102½	Aug.18,'03	102½	100	2,000
con. sterling gold 6 per cent...1905	22,762,000	J & J	....	....	....	....	....
con. currency, 6's registered...1905	4,718,000	Q M 15	....	....	....	....	....
con. gold 5 per cent 1919	4,998,000	M & S	....	....	....	....	....
" registered..................		Q M	....	....	....	....	....
con. gold 4 per cent 1943	3,000,000	M & N	106	Aug.28,'03	106	106	1,000
" ten year conv. 3½'s 1912	20,697,500	M & N	95¾	Aug.29,'03	96	93⅞	725,500
Allegh. Valley gen. gtd. g. 4's...1942	5,389,000	M & S	110	Aug.28,19'	....	....	....
Belvedere Del. con. gtd. 3½'s..1943	1,000,000	J & J	....	....	....	....	....
Clev. & Mar. 1st gtd g. 4½'s.....1935	1,250,000	M & N	112¾	Mar. 7,19'	....	....	....
Del.R. RR.& BgeCo 1stgtdg.4's,1936	1,300,000	F & A	....	....	....	....	....
G.R. & Ind. Ex. 1st gtd. g 4½'s 1941	4,455,000	J & J	109¼	Aug.31,'03	109¼	109¼	1,000
Sunbury & Lewistown 1stg.4's.1936	500,000	J & J	....	....	....	....	....
U'd N.J. RR. & Can Co. g 4's...1944	5,646,000	M & S	117	May 1,19'	....	....	....
Peoria & Pekin Union 1st 6's....1921	1,495,000	Q F	124½	Apr. 18,'03	....	....	....
" 2d m 4½'s................1921	1,499,000	M & N	95	June16,'03	....	....	....
Pere Marquette.							
Flint & Pere Marquette g. 6's..1920	3,999,000	A & O	116	July 29,'03	....	....	....
" 1st con. gold 5's........1939	2,850,000	M & N	107	Aug.11,'03	107	107	1,000
" Port Huron d 1st g 5's.1939	3,325,000	A & O	106¾	Aug.26,'03	107¼	106¾	14,000
Sag'w Tusc. & Hur.1st gtd.g.4's.1931	1,000,000	F & A	....	....	....	....	....
Pine Creek Railway 6's 1932	3,500,000	J & D	137	Nov. 17,'93	....	....	....
Pittsburg, Clev. & Toledo 1st 6's.1922	2,400,000	A & O	107½	Oct. 26,'93	....	....	....

BOND QUOTATIONS.—Last sale, price and date: highest and lowest prices and total sales for the month.

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	August Sales. High.	August Sales. Low.	August Sales. Total.
Pittsburg, Junction 1st 6's	1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A,	1928	2,000,000	A & O	112½	Dec. 13,'93	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's,	1940	3,000,000	A & O	117¼	July 7,'03	....	....	....
" 1st cons. 5's	1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg & West'n 1st gold 4's,	1917	1,589,000	J & J	98	Aug. 1,'03	98	98	2,000
" J. P. M. & Co., ctfs.,	....	8,111,000	......	100¼	Feb. 13,'03	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's,	1927	1,562,000	M & N	120½	Dec. 8,'02	....	....	....
Reading Co. gen. g. 4's	1997	64,526,000	J & J	94⅞	Aug.31,'03	95¼	94	657,000
" registered			J & J	96⅛	July 2,'03	....	....	....
" Jersey Cent. col. g. 4's	1957	23,000,000	......	91½	Aug.25,'03	92	91⅝	56,000
" " registered		....	......	....		....	....	....
Atlantic City 1st con. gtd. g. 4's	1951	1,063,000	M & N	....		....	....	....
Rio Grande West'n 1st g. 4's	1939	15,200,000	J & J	94½	Aug.11,'03	94½	94	11,000
" mge & col. tr. g. 4's ser. A	1949	12,200,000	A & O	90	July 17,'03	....	....	....
" Utah Cen. 1st gtd. g. 4's	1917	550,000	A & O	97	Jan. 3,02'	....	....	....
Rio Grande Junc'n 1st gtd. g. 5's,	1939	1,850,000	J & D	110½	Feb. 25,'03	....	....	....
Rio Grande Southern 1st g. 4's	1940	2,233,000	J & J	75	Aug. 3,'03	75	75	10,000
" guaranteed		2,277,000	......	94¼	Nov.15,'02	....	....	....
Rutland RR 1st con. g. 4½ s	1941	2,440,000	J & J	....		....	....	....
Ogdnsb. & L. Ch'n. Ry. 1st gtd g 4s	1948	4,400,000	J & J	....		....	....	....
Rutland Canadian 1st gtd. g. 4's	1949	1,350,000	J & J	101¼	Nov.18,'01	....	....	....
Salt Lake City 1st g. sink fu'd 6's,	1913	297,000	J & J	....		....	....	....
St. Jo. & Gr. Isl. 1st g. 2.342	1947	3,500,000	J & J	88	May 26,'03	....	....	....
St. L. & Adirondack Ry. 1st g. 5's	1996	800,000	J & J	....		....	....	....
" 2d g. 6's	1996	400,000	A & O	....		....	....	....
St. Louis & San F. 2d 6's, Class B,	1906	998,000	M & N	104⅝	Aug.18,'03	104¾	104⅝	16,000
" 2d g. 6's, Class C	1906	829,000	M & N	104½	Aug.18,'03	104½	104½	4,000
" gen. g. 6's	1931	3,681,000	J & J	121	Aug.20,'03	121	121	5,000
" gen. g. 5's	1931	5,803,000	J & J	109½	Aug.31,'03	109½	109	9,000
St. L & San F. R. R. con. g. 4's	1996	1,558,000	J & D	92	Aug.20,'03	92	92	5,000
" S. W. div. g. 5's	1947	829,000	A & O	100	June 5,'02	....	....	....
" refunding g. 4's	1951	52,717,000	J & J	81	Aug.31,'03	83	78⅞	1,367,000
" " registered			J & J	....		....	....	....
Kan. Cy Ft. S. & Mem R R con g 6's	1928	13,736,000	M & N	118	June 8,'03	....	....	....
Kan. Cy Ft. S & M Ry ref g gtd g 4s	1936	14,099,000	A & O	80	Aug.31,'03	80	79	90,000
" registered			A & O	....		....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs.,	1989	20,000,000	M & N	94¾	Aug.31,'03	95	91⅛	55,000
" 2d g. 4's inc. Bd ctfs.	1989	3,272,500	J & J	72⅛	Aug.31,'03	74	63⅞	266,000
" con. g. 4's	1932	12,054,000	J & D	69	Aug.31,'03	70	66	137,000
Gray's Point, Term. 1st gtd. g. 5's	1947	339,000	J & D	....		....	....	....
St. Paul, Minn. & Manito'a 2d 6's	1909	7,369,000	A & O	113½	Feb. 24,'03	....	....	....
" 1st con. 6's	1933	13,344,000	J & J	127½	July 29,'03	....	....	....
" 1st con. 6's, registered			J & J	140	May 14,'02	....	....	....
" 1st c. 6's, red'd to g. 4½'s		19,533,000	J & J	107	Aug. 6,'03	107	107	5,000
" 1st cons. 6's register'd			J & J	115¼	Apr. 15,'01	....	....	....
" Dakota ext'n g. 6's	1910	5,568,000	M & N	110¼	July 30,'03	....	....	....
" Mont. ext'n 1st g. 4's	1937	10,185,000	J & D	101	Aug.29,'03	101	100	23,000
" registered			J & D	106	May 6,'01	....	....	....
Eastern R'y Minn, 1st d. 1st g. 5's	1908	4,700,000	A & O	104	Aug.15,'03	104	103	15,000
" registered			A & O	....		....	....	....
" Minn. N. div. 1st g. 4's	1940	5,000,000	A & O	....		....	....	....
" registered			A & O	....		....	....	....
Minneapolis Union 1st g. 6's	1922	2,150,000	J & J	128	Apr. 4,19'	....	....	....
Montana Cent. 1st 6's int. gtd.	1937	6,000,000	J & J	134	Mar. 16,'03	....	....	....
" 1st 6's, registered			J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's	1937	4,000,000	J & J	111½	Aug.25,'03	115	110½	4,000
" registered			J & J	....		....	....	....
Willmar & Sioux Falls 1st g. 5's,	1938	3,625,000	J & D	125½	Feb. 17,'02	....	....	....
" registered			J & D	....		....	....	....
San Fe Pres. & Phoe. Ry. 1st g. 5's.	1942	4,940,000	M & S	111	Aug.15,'01	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's,	1919	3,872,000	J & J	113¾	Dec. 11,'01	....	....	....
Sav. Florida & Wn. 1st c. g. 6's	1934	4,056,000	A & O	128	Oct. 28,'02	....	....	....
" 1st g. 5's	1934	2,444,000	A & O	112	Mar. 17,'99	....	....	....
" St. John's div. 1st g. 4's	1934	1,350,000	J & J	95¼	Nov.30,'01	....	....	....
Alabama Midland 1st gtd. g. 5s.	1928	2,800,000	M & N	111	Apr. 20,'03	....	....	....
Brunsw. & West. 1st gtd. g. 4's	1938	3,000,000	J & J	87	Aug.22 '01	....	....	....
Sil. S. Oc. & G. R. R. & lg. gtd. g. 4's.	1918	1,107,000	J & J	95¼	May 13,'03	....	....	....
Seaboard Air Line Ry g. 4's	1950	12,775,000	A & O	78	Aug.31,'03	81	75	150,000
" registered			A & O	....		....	....	....
" col. trust refdg g. 5's	1911	10,000,000	M & N	101¼	Aug.27,'03	101½	100½	10,000
Seaboard & Roanoke 1st 5's	1926	2,500,000	J & J	111¼	May 7,'03	....	....	....
Carolina Central 1st con. g. 4's.	1949	2,847,000	J & J	95½	Feb. 17,'03	....	....	....

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Sodus Bay & Sout'n 1st 5's, gold,	1924	500,000	J & J	102	Jan. 20,'03	....	....	....
Southern Pacific Co.								
" 2-5 year col. trust g. 4½'s.	1905	15,000,000	J & D	97¾	Aug.31,'03	97¾	96	105,000
" g. 4's Central Pac. coll..	1949	28,818,500	J & D	86	Aug.31,'03	86⅛	84	213,000
" " registered......			J & D	95	Apr.10,'02	....	....	....
Austin & Northw'n 1st g. 5's...	1941	1,920,000	J & J	105⅛	Feb. 25,'03	....	....	....
Cent. Pac. 1st refud. gtd.g. 4's..	1949	60,017,000	F & A	97⅛	Aug.28,'03	98	96	107,500
" registered......			F & A	99¼	Mar. 5,'93	....	....	....
" mtge. gtd. g. 3½'s...	1929	18,069,500	J & D	84⅛	Aug.31,'03	84⅛	82	116,500
" " registered			J & D	....	....	....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's..	1910	4,756,000	F & A	110¼	Feb. 27,'03	....	....	....
" 2d g 7's............	1905	1,000,000	J & D	105	Feb. 11,'03	....	....	....
" Mex. & P. div 1st g 5's.	1931	13,418,000	M & N	109⅞	Jan. 30,'03	....	....	....
Gila Val.G.& N'n 1st gtd g 5's.	1924	1,514,000	M & N	109½	Feb. 24,'03	....	...	....
Houst. E. & W. Tex. 1st g. 5's..	1933	501,000	M & N	105	May 20,'02	....	....	....
" 1st gtd. g. 5's.........	1933	2,199,000	M & N	102½	Dec. 1,'02	....	....	....
Houst. & T.C. 1st g 5's int. gtd..	1937	2,826,000	J & J	111	Aug.10,'03	111	111	2,000
" con. g 6's int. gtd......	1912	2,911,000	A & O	111	Mar. 14,'03	....	....	....
" gen. g 4's int. gtd.	1921	4,287,000	A & O	92	May 7,'03	....	....	....
" W&N wn.div.1st.g.6's.	1930	1,105,000	M & N	127½	Feb. 27,'02	....	....	....
Morgan's La & Tex. 1st g 6's....	1920	1,494,000	J & J	122	Sept.15,'02	....	....	....
" 1st 7's	1918	5,000,000	A & O	130	Nov.19,'02	....	...	....
N. Y. Tex. & Mex. gtd. 1st g 4's..	1912	1,465,000	A & O	....	....	....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's.	1907	3,964,000	J & J	102	July 30,'03	....	....	....
" gtd. g. 5's		4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's........	1927	19,031,000	J & J	105½	Nov. 7,'01	....	....	....
San Ant.&Aran Pass 1st gtd g 4's.	1943	18,900,000	J & J	78	Aug.31,'03	78	74	171,000
South'n Pac. of Ariz. 1st 6's.....	1909	6,000,000	J & J	110¼	Apr. 9,'03	....	....	....
" " "	1910	4,000,000	J & J	111¼	Apr. 6,'03	....	....	....
" of Cal. 1st g 6's ser. A.	1905	29,192,500	A & O	103¼	July 20,'03	....	....	....
" " " ser. B.	1905		A & O	104¼	May 15,'03	....	....	....
" " " C. & D.	1906		A & O	106½	May 15,'03	....	....	....
" " " E. & F.	1902		A & O	119¾	Feb. 20,'03	....	....	....
" " "	1912	....	A & O	119	Mar. 17,'03	....	....	....
" 1st con. gtd. g 5's...	1937	6,809,000	M & N	110	May 15,'03	....	....	....
" stamped........	1905–1937	20,420,000	......	108	Aug.18,'03	108	106½	43,000
So. Pacific Coast 1st gtd. g. 4's.	1937	5,500,000	J & J	....	....	....	....	....
" of N. Mex. c. 1st 6's.	1911	4,180,000	J & J	108¾	June 26,'03	....	....	....
Tex. & New Orleans 1st 7's......	1905	862,000	F & A	108	May 20,'02	....	....	....
" Sabine div. 1st g 6's...	1912	2,575,000	M & S	111½	Oct. 30,'0	....	....	....
" con. g 5's.............	1943	1,620,000	J & J	101	Apr. 25,'03	....	....	....
Southern Railway 1st con. g 5's.	1994	35,372,000	J & J	113½	Aug.31,'03	113½	111½	333,000
" registered.			J & J	111¼	Aug. 7,'03	111¼	111¼	10,000
Mob. & Ohio collat. trust g. 4's.	1938	7,855,000	M & S	93	Aug.24,'03	93	90⅞	20,000
" registered................			M & S	....	....	....	....	....
" Memph.div.1st g.4-4½-5's.	1996	5,183,000	J & J	112½	Apr. 15,'03	....	....	....
" registered..			J & J	....	....	....	....	....
" St. Louis div. 1st g. 4's...	1951	11,250,000	J & J	94	Aug.19,'03	94	94	2,000
" " registered.........			J & J	....	....	....	....	....
Alabama Central, 1st 6's.......	1918	1,000,000	J & J	120	Mar. 25,'01	....	....	....
Atlantic & Danville 1st g. 4's..	1948	3,925,000	J & J	95	Dec. 4,'02	....	....	....
Atlantic & Yadkin, 1st gtd g 4s.	1949	1,500,000	A & O	....	....	....	....	....
Col. & Greenville, 1st 5-6's.....	1916	2,000,000	J & J	120	Sept.10,'02	....	....	....
East Tenn., Va. & Ga. div.g.5's.	1930	3,106,000	J & J	116⅛	May 29,'03	....	....	....
" con. 1st g 5's..........	1956	12,770,000	M & N	116	Aug.28,'03	116	114	24,000
" reorg. lien g 4's.......	1938	4,500,000	M & S	114	Jan. 26,'03	....	....	....
" registered...............			M & S	....	....	....	....	....
Ga. Pacific Ry. 1st g 5-6's......	1922	5,660,000	J & J	122	Mar. 30,'03	....	....	....
Knoxville & Ohio, 1st g 6's.....	1925	2,000,000	J & J	120	July 3,'03	....	....	....
Rich. & Danville, con. g 6's....	1915	5,597,000	J & J	115½	Aug.26,'03	115½	114½	10,000
" equip. sink. f'd g 5's,	1909	818,000	M & S	101¼	July 20,'19'	....	....	....
" deb. 5's stamped......	1927	3,368,000	A & O	109¼	July 22,'03	....	....	....
Rich. & Mecklenburg 1st g. 4's.	1948	315,000	M & N	92	Sept. 9,'02	....	....	....
South Caro'a & Ga. 1st g. 5's....	1919	5,250,000	M & S	103	Aug.28,'03	104	103	4,000
Vir. Midland serial ser. A 6's..	1906	600,000	M & S	....	....	....	....	....
" small.....................			M & S	....	....	....	....	....
" ser. B 6's..............	1911	1,900,000	M & S	112½	Jan. 6,'03	....	....	....
" small.....................			M & S	....	....	....	....	....
" ser. C 6's..............	1916	1,100,000	M & S	128	Feb. 8,'02	....	....	....
" small.....................			M & S	....	....	....	....	....
" ser. D 4-5's............	1921	950,000	M & S	112	Feb. 18,'03	....	....	....
" small.....................			M & S	....	....	....	...	....
" ser. E 5's..............	1926	1,775,000	M & S	115	Jan. 6,'03	....	....	....
" small.....................			M & S	....	....	....	....	....
" ser. F 5's..............	1931	1,310,000	M & S	114	Dec. 18,'02	....	....	....
Virginia Midland gen. 5's......	1936	2,392,000	M & N	109	Aug.14,'03	109	108	2,000
" gen.5's. gtd. stamped.	1926	2,466,000	M & N	113½	May 14,'03	....	....	....

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				Price.	*Date.*	*High.*	*Low.*	*Total.*
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	98	Feb. 20,'03	....	....	....
W. Nor. C. 1st con. g 6's	1914	2,581,000	J & J	115⅛	Mar. 6,'03	....	....	....
Spokane Falls & North. 1st g. 6's	1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl. Ry. N. Y. 1st gtd. g. 4½'s	1943	500,000	J & D	104⅛	Sept. 2,'02	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	107¼	July 21,'03	....	....	....
" 1st con. g. 5's	1894-1944	5,000,000	F & A	112⅛	Aug. 5,'03	113⅛	112⅛	6,000
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	115	June 30,'03	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th	1905	2,815,000	M & S	102	May 29,19'	....	....	... .
" 1st gold 5's	2000	22,120,000	J & D	114⅛	Aug. 31,'03	115	113	133,000
" 2d gold income, 5's	2000	963,000	MAR.	81	June 25,'03	....	....	....
" La. Div. B. L. 1st g. 5's	1931	3,348,000	J & J	108½	Aug. 20,'03	109	108⅛	23,000
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	110	July 23,'03	....	....	....
" 1st M. g 5's West. div.	1935	2,500,000	A & O	110	Aug. 28,'03	110	110	5,000
" gen. g. 5's	1935	2,000,000	J & D	112¾	Mar. 2,'03	....	....	....
" Kanaw & M. 1st g. g. 4's	1990	2,469,000	A & O	90¼	July 17,'03	....	....	....
Toledo Peoria & W. 1st g 4's	1917	4,900,000	J & D	88	Aug. 22,'03	90	88	11,000
Tol., St. L. & Wn. prior lien g 3½'s	1925	9,000,000	J & J	85⅛	July 22,'03	....	....	....
" registered			J & J	....	....	....	....	....
" fifty years g. 4's	1925	6,500,000	A & O	72	Aug. 31,'03	72	70⅝	48,000
" registered			A & O	....	....	...	....	... .
Toronto, Hamilton & Buff 1st g 4s	1946	3,280,000	J & D	98	Apr. 29,'03	....	....	....
Ulster & Delaware 1st c. g 5's	1925	1,852,000	J & D	108	July 28,'03	....	....	....
Union Pacific R. R. & ld gt g 4s	1947	100,000,000	J & J	99⅞	Aug. 31,'03	100	99¼	1,120,000
" registered			J & J	99⅞	Aug. 8,'03	100	99⅞	2,000
" 1st lien con. g. 4's	1911	87,259,000	M & N	94⅝	Aug. 31,'03	95	90⅝	5,439,000
" registered			M & N	105¼	Dec. 6,'02	....	....	... .
Oreg. R. R. & Nav. Co. con. g 4's	1946	21,482,000	J & D	97⅛	Aug. 29,'03	98	97⅛	45,000
Oreg. Short Line Ry. 1st g. 6's	1922	13,651,000	F & A	120	Aug. 26,'03	120	120	21,000
" 1st con. g. 5's. 1946		12,328,000	J & J	110⅛	Aug. 24,'03	110½	109¾	10,000
" 4's & participat'g g. bds.	1927	41,000,000	F & A	90¾	Aug. 31,'03	90⅞	87¾	866,000
" registered			F & A	....	....	....	....	....
Utah & Northern 1st 7's	1908	4,993,000	J & J	115	Nov. 24,'01	....	....	....
" g. 5's	1926	1,877,000	J & J	114⅛	Apr. 19,'02	....	....	....
Virginia & S'western 1st gtd. 5's	2003	2,000,000	J & J	101	Aug. 31,'03	101	100	52,000
Wabash R.R. Co., 1st gold 5's	1939	32,657,000	M & N	114¾	Aug. 31,'03	115¼	114	156,000
" 2d mortgage gold 5's	1939	14,000,000	F & A	105	Aug. 31,'03	105	103⅛	15,000
" deben. mtg series A	1939	3,500,000	J & J	101⅛	Apr. 28,'03	....	....	....
" series B	1939	26,500,000	J & J	60¾	Aug. 31,'03	62⅝	52	3,568,000
" first lien eqpt. fd. g. 5's	1921	3,000,000	M & S	104⅛	Dec. 11,'02	....	....	....
" 1st g. 5's Det. & Chi. ex.	1940	3,411,000	J & J	107	July 23,'03	....	....	....
" Des Moines div. 1st g. 4s	1939	1,600,000	J & J	97	May 12,'02	....	....	....
" Omaha div. 1st g. 3½s	1941	3,500,000	A & O	84	June 23,'03	....	....	....
" Tol. & Chic. div. 1st g. 4's	1941	3,000,000	M & S	98	Mar. 17,'02	....	....	....
St. L., K. C. & N. St. Chas. B. 1st 6's	1908	473,000	A & O	109½	Mar. 13,'03	....	....	....
Western N. Y. & Penn. 1st g. 5's	1937	10,000,000	J & J	115¼	Aug. 27,'03	115⅛	114	3,000
" gen g. 3-4's	1943	9,789,000	A & O	96½	July 2,'03	....	....	....
" inc. 5's	1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va. Cent'l & Pitts. 1st g. 6's	1911	3,250,000	J & J	108	July 31,'03	....	....	....
Wheeling & Lake Erie 1st g. 5's	1926	2,000,000	A & O	112⅛	July 30,'03	....	....	....
" Wheeling div. 1st g. 5's	1928	894,000	J & J	113	Sept. 9,'02	....	....	....
" exten. and imp. g. 5's	1930	343,000	F & A	110	Mar. 6,'03	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's	1949	11,130,000	M & S	91	Aug. 30,'03	91	86	88,000
Wisconsin Cen. R'y 1st gen. g. 4s	1949	23,879,000	J & J	89¾	Aug. 28,'03	90	87	164,000
STREET RAILWAY BONDS.								
Brooklyn Rapid Transit g. 5's	1945	6,625,000	A & O	103	Aug. 29,'03	103	102	11,000
" Atl. av. Bkn. imp. g. 5's	1934	1,500,000	J & J	110	Jan. 20,'99	....	....	....
" City R. R. 1st c. 5's 1916	1941	4,378,000	J & J	108	Aug. 31,'03	108	108	10,000
" Qu. Co. & Sur. con. gtd. g. 5's	1941	2,255,000	M & N	100	Aug. 18,'03	100⅛	98	13,000
" Union Elev. 1st. g. 4-5s	1950	16,000,000	F & A	98⅛	Aug. 31,'03	99	97	129,000
" stamped guaranteed			......	100¾	July 15,'03	....	....	....
Kings Co. Elev. R. R. 1st g. 4's	1949	7,000,000	F & A	85	Aug. 27,'03	85	83	2,000
" stamped guaranteed			......	....	....	....	....	....
Nassau Electric R. R. gtd. g. 4's	1951	10,474,000	J & J	85½	Jan. 5,'03	....	....	....
City & Sub. R'y, Balt. 1st g. 5's	1922	2,430,000	J & D	105⅝	Apr. 17,'95	....	....	....
Conn. Ry. & Lightg 1st & rfg. g 4½'s	1951	8,355,000	J & J	99⅞	Oct. 30,'02	....	....	....
Denver Con. T'way Co. 1st g. 5's	1933	730,000	A & O	97⅛	June 13,19'	....	....	....
Denver T'way Co. con. g. 6's	1910	1,219,000	J & J	....	....	....	....	....
Metropol'n Ry Co. 1st g. g. 6's	1911	913,000	J & J	....	....	....	....	....
Detroit Cit'ens St. Ry. 1st con. g. 5's	1905	5,485,000	J & J	103	Nov. 23,'01	....	....	....
Grand Rapids Ry 1st g. 5's	1916	2,500,000	J & D	....	....	....	....	....
Louisville Railw'y Co. 1st c. g. 5's	1930	4,600,000	J & J	109	Mar. 19,'98	....	....	....
Market St. Cable Railway 1st 6's	1913	3,000,000	J & J	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	AUGUST SALES. High.	AUGUST SALES. Low.	AUGUST SALES. Total.
Metro. St. Ry N.Y.g. col. tr.g. 5's.	1997	12,500,000	F & A	112½	Aug.19,'03	113¼	111½	12,000
" refunding 4's	2002	12,780,000	A & O	89	Aug.11,'03	89	89	5,000
B'way & 7th ave. 1st con. g. 5's,	1943	7,650,000	J & D	112½	Aug.18,'03	113¾	112½	12,000
" registered			J & D	119½	Dec. 3,19'	....	....	....
Columb. & 9th ave. 1st gtd g 5's,	1993	3,000,000	M & S	117½	July 24,'03	....	....	....
" registered			M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's,	1993	5,000,000	M & S	116	July 27,'03	....	....	....
" registered			M & S	....	....	....	....	....
Third Ave. R.R. 1st c.gtd.g.4's.	2000	35,000,000	J & J	94	Aug.31,'03	94¾	93	147,000
" registered			J & J	....	....	....	....	....
Third Ave. R'y N.Y. 1st g 5's	1937	5,000,000	J & J	115	Aug.26,'03	115	115	6,000
Met. West Side Elev. Chic. 1st g. 4's.	1938	10,000,000	F & A	99½	Mar. 27,'03	....	....	....
" registered			F & A	....	....	....	....	....
Mil. Elec. R. & Light con. 30 yr. g. 5's.	1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's	1919	4,050,000	J & J	110	June 26,'01	....	....	....
St. Jos. Ry. Lig't, Heat & P. 1st g. 5's.	1937	3,500,000	M & N	....	....	....	....	....
St. Paul City Ry. Cable con. g. 5's.	1937	2,480,000	J&J15	109¼	Apr. 14,'03	....	....	....
" gtd. gold 5's	1937	1,138,000	J & J	112	Nov. 28,'99	....	....	....
Union Elevated (Chic.) 1st g. 5's.	1945	4,387,000	A & O	109½	Dec. 14,'99	....	....	....
United Railways of St. L. 1st g. 4's.	1934	28,292,000	J & J	84⅝	June 25,'03	....	....	....
United R. R. of San Fr. s. fd. 4's	1927	20,000,000	A & O	79½	Aug.31,'03	79½	75	603,000
West Chic. St. 40 yr. 1st cur. 5's.	1928	3,969,000	M & N	....	....	....	....	....
" 40 years con. g. 5's	1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....
MISCELLANEOUS BONDS.								
Adams Express Co. col. tr. g. 4's.	1948	12,000,000	M & S	104½	Aug.29,'03	104⅝	103½	37,000
Am. Steamship Co. of W. Va. g. 5's	1920	5,452,000	M & N	100¾	June 4,'02	....	....	....
Bklyn. Ferry Co. of N. Y. 1st c. g. 5's.	1948	6,500,000	F & A	73	Mar. 26,'03	....	....	....
Chic. Junc. & St'k Y'ds col. g. 5's.	1915	10,000,000	J & J	111	Mar. 7,'01	....	....	....
Der. Mac. & Ma. ld. gt. 3½'s sem. an.	1911	2,771,000	A & O	79¾	Aug.31,'03	84	79½	129,000
Hackensack Water Co. 1st 4's	1952	3,000,000	J & J	....	....	....	...	....
Hoboken Land & Imp. g. 5's	1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g. 5's	1916	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's.	1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's	1890–1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's	1951	11,580,000	F & A	90½	Aug. 7,'03	90½	90½	10,000
" registered			F & A	....	....	...	....	....
St. Joseph Stock Yards 1st g. 4½'s	1930	1,250,000	J & J	....	....	....	....	....
St. Louis Terml. Cupples Station & Property Co. 1st g 4½'s 5-20	1917	3,000,000	J & D	....	....	....	....	....
So. Y. Water Co. N. Y. con. g 6's	1923	478,000	J & J	104	July 25,'03	....	.. ..	....
Spring Valley W. Wks. 1st 6's	1906	4,975,000	M & S	113½	Dec. 18,19'	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.								
Series D 4½'s	1901–1916	1,000,000	J & J	....	....	....	....	....
" E 4's	1907–1917	1,000,000	J & D	....	....	....	....	....
" F 4's	1908–1918	1,000,000	M & S	....	....	....	....	....
" G 4's	1903–1918	1,000,000	F & A	100	Mar. 15,19'	....	....	....
" H 4's	1903–1918	1,000,000	M & N	....	....	....	....	....
" I 4's	1904–1919	1,000,000	F & A	....	....	....	....	....
" J 4's	1904–1919	1,000,000	M & N	....	....	....	....	....
" K 4's	1905–1920	1,000,000	J & J	....	....	....	....	....
Small bonds		....	......	....	....	....	....	....
INDUSTRIAL AND MFG. BONDS.								
Am. Bicycle Co. sink. fund deb. 5's.	1919	9,231,000	M & S	34	Feb. 2,'03	....	....	....
Am. Cotton Oil deb. ext. 4½'s	1915	2,919,000	......	93⅞	Aug.14,'03	93⅞	93⅞	5,000
Am. Hide & Lea. Co. 1st s. f. 6's	1919	8,375,000	M & S	83¾	Aug.27,'03	86	83	71,000
Am. Spirit Mfg. Co. 1st g. 6's	1915	1,750,000	M & S	87	July 10,'03	....	....	... .
Am. Thread Co., 1st coll. trust 4's.	1919	6,000,000	J & J	78	June 4,'03	....	....	....
Barney & Smith Car Co. 1st g. 6's.	1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's.	1951	157,378,200	F & A	57¼	Aug.31,'03	58	51¾	6,784,000
" registered			F & A	51½	Aug. 5,'03	51½	51½	100,000
Dis. Secur. Cor. con. 1st g. 5's	1927	18,379,000	A & O	59½	Aug.28,'03	62½	59	388,000
Dis. Co. of Am. coll. trust g 5's	1911	3,580,000	J & J	100	Mar. 25,'03	....	....	....
Illinois Steel Co. debenture 5's	1910	1,400,000	J & J	99	Jan. 17,'99	....	....	....
" non. conv. deb. 5's	1910	7,000,000	A & O	100	May 2,'02	....	....	....
Internat'l Paper Co. 1st con. g 6's.	1918	9,400,000	F & A	108½	Aug. 5,'03	108½	108½	1,000
Knick'r'ker Ice Co. (Chic) 1st g 5's.	1925	2,000,000	A & O	93	Feb. 24,'03	....	....	....
Lack. Steel Co., 1st con. g. 5's	1923	4,202,000	A & O	95¾	Aug.21,'03	96¼	95	54,000
Nat. Starch Mfg. Co., 1st g 6's	1920	2,924,000	J & J	95	Mar. 2,'03	....	....	....
Nat. Starch. Co's fd. deb. g. 5's	1925	4,137,000	J & J	69	Aug.31,'03	70	69	36,000
Standard Rope & Twine 1st g. 6's.	1946	2,740,000	F & A	46	July 30,'03	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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MISCELLANEOUS BONDS—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	AUGUST SALES. *High.*	AUGUST SALES. *Low.*	AUGUST SALES. *Total.*
Standard Rope&Twine inc.g.5s	1946	7,500,000		4½	Aug.31,'03	5	4	68,000
United Fruit Co., con. 5's	1911	3,794,000	M & S					
U. S. Env. Co. 1st sk. fd. g. 6's	1918	3,797,000	J & J					
U. S. Leather Co. 6s g s. fd deb.	1915	5,280,000	M & N	108½	Aug.27,'03	110	108½	5,000
U. S. Reduction & Refin. Co. 6's	1931			79	Aug.12,'03	79	79	5,000
U. S. Shipbldg.1st & fd g.5's Ser. A.	1932	14,500,000	J & J	25⅛	July 21,'03			
" collat. and mge. 5's	1932	10,000,000	F & A	91	Jan. 15,'03			
U.S.Steel Corp. col. tr. 2d gs. 5's	1963		M & N	79¼	Aug.31,'03	80¾	76¼	4,657,000
" " " reg.	1963		M & N	79½	Aug.31,'03	80½	77½	27,500
BONDS OF COAL AND IRON COS.								
Colo. C'l & I'n Devel.Co. gtd g.5's	1909	700,000	J & J	55	Nov. 2,19'			
" Coupons off								
Colo. Fuel Co. gen. g. 6's	1919	640,000	M & N	112	Apr. 30,'03			
Col. Fuel & Iron Co. gen. sf g 5's	1943	5,355,000	F & A	99½	Aug.31,'03	99½	99½	10,000
" conv. deb. g. 5's	1911	14,068,000	F & A	78½	Aug.31,'03	81	77	552,000
" registered			F & A					
Continental Coal 1st s. f. gtd. 5's	1952	2,750,000	F & A					
Grand Riv. Coal & Coke 1st g. 6's	1919	949,000	A & O	115	June 3,'02			
Jeff. & Clearf. Coal & Ir. 1st g. 5's	1926	1,621,000	J & D	105⅛	Oct. 10,'98			
" 2d g. 5 s	1926	1,000,000	J & D	80	May 4,'97			
Kan. & Hoc. Coal&Coke 1st g.5's	1951	2,750,000	J & J	105	Oct. 24,19'			
Pleasant Valley Coal 1st g. s.f.5s	1928	1,174,000	J A J	106¼	Feb. 27,'02			
Roch & Pitts.Cl&Ir.Co.pur my5's	1946	1,092,000	M & N					
Sun. Creek Coal 1st sk. fund 6's	1912	379,000	J & D					
Tenn. Coal, Iron & R.R. gen. 5's	1951	3,000,000	J & J	91	July 31,'03			
" Tenn. div. 1st g. 6's	1917	1,193,000	A & O	103	June 29,'03			
" Birmingh. div. 1st con.6's	1917	3,650,000	J & J	109	July 14,'03			
Cahaba Coal M. Co., 1st gtd.g.6's	19.2	892,000	J & D	105	Feb. 10,19'			
De Bardeleben C&I Co.gtd.g.6's	1910	2,729,500	F & A	100	Aug.14,'03	100	98	13,000
Va. Iron, Coal & Coke, 1st g. 5's	1949	6,953,000	M & S	75	July 27,'03			
Wheel L. E. & P. Cl Co. 1st g 5's	1919	836,000	J & J	32	Jan. 15,19'			
GAS & ELECTRIC LIGHT CO. BONDS.								
Atlanta Gas Light Co. 1st g. 5's	1947	1,150,000	J & D					
B'klyn Union GasCo.1st cong. 5's	1945	14,493,000	M & N	113	Aug.19,'03	113	112¼	20,000
Buffalo Gas Co. 1st g. 5's	1947	5,900,000	A & O	74	June 24,'03			
Columbus Gas Co., 1st g. 5's	1932	1,215,000	J & J	104½	Jan. 28,'98			
Detroit City Gas Co. g. 5's	1923	5,603,000	J & J	95	Aug.20,'03	95	95	4,000
Detroit Gas Co. 1st con.g.5's	1918	381,000	F & A	105	June 2,'03			
Equitable Gas Light Co. of N. Y. 1st con. g. 5's	1932	3,500,000	M & S	102⅞	Feb. 19,'03			
Gas. & Elec. of Bergen Co. c.g.5s	1949	1,146,000	J & D	67	Oct. 2,'01			
Gen. Elec. Co. del. g. 3½'s	1942	2,049,400	F & A	85¼	Aug.25,'03	85¼	85¼	1,000
Grand Rapids G. L. Co. 1st g.5's	1915	1,225,000	F & A	107¾	Dec. 17,19'			
Hudson Co. Gas Co. 1st g. 5's	1949	9,180,000	M & N	105⅛	Aug.31,'03	105⅛	105	17,000
Kansas City Mo. Gas Co. 1st g 5's	1922	3,750,000	A & O					
Kings Co. Elec. L.&Power g. 5's	1937	2,500,000	A & O					
" purchase money 6's	1997	5,010,000	J & J	118¾	Aug.14,'03	118¾	118	8,000
Edison El. Ill. Bkln 1st con.g.4's	1939	4,275,000	J & J	93¼	May 29,'03			
Lac. Gas L't Co. of St. L. 1st g. 5's	1919	10,000,000	Q F	104	Aug.29,'03	104½	103¾	14,500
" small bonds				97½	Nov. 1,'95			
Milwaukee Gas Light Co. 1st 4's	1927	6,000,000	M & N	95	July 31,'02			
Newark Cons. Gas, con. g. 5's	1948	5,274,000	J & D					
N.Y.GasEL.H&P Co 1st col tr g 5's	1948	15,000,000	J & D	103¾	Aug.29,'03	103⅞	103⅛	139,000
" registered			J & D					
" purchase mny col tr g 4's	1949	20,389,000	F & A	89¾	Aug.31,'03	90¼	87	75,000
Edison El. Illu. 1st conv. g. 5's	1910	4,312,000	M & S	106	July 30,'03			
" 1st con. g. 5's	1995	2,156,000	J & J	114	Aug.12,'03	114	114	7,000
N.Y.&Qus.Elec.Lg.&P.1st.c.g.5's	1930	2,272,000	F & A	103	June 4,'03			
N.Y.& Richmond GasCo.1st g. 5's	1921	1,000,000	M & N	102¾	Apr. 30,'03			
Paterson&Pas. G.&E. con.g.5's	1949	3,317,000	M & S					
Peop's Gas & C. Co. C. 1st g. g 6's	1904	2,100,000	M & N	100	Aug.25,'03	100	100	500
" 2d gtd. g. 6's	1904	2,500,000	J & D	99	Aug.31,'03	99	99	500
" 1st con. g 6's	1943	4,900,000	A & O	117	Aug.18,'03	117	116	12,000
" refunding g. 5's	1947	2,500,000	M & S	105¼	Apr. 12,'03			
" refuding registered			M & S					
Chic.Gas Lt&Coke 1st gtd g.5's	1937	10,000,000	J & J	104¾	Aug.24,'03	104¾	104¾	5,000
Con. Gas Co.Chic. 1st gtd.g.5's	1936	4,346,000	J & D	105	June 3,'03			
Eq.Gas&Fuel.Chic.1st gtd.g.6's	1905	2,000,000	J & J	103	June 17,'03			
MutualFuelGasCo.1st gtd.g.5's	1947	5,000,000	M & N	105	Feb. 16,'03			
" registered								
Syracuse Lighting Co. 1st g. 5's	1951	2,000,000	J & D					
Trenton Gas & Electric 1st g. 5's	1949	1,500,000	M & S	109	Feb. 8,'01			
Utica Elec. L. & P. 1st s. f'd g.5's	1950	500,000	J & J					
Westchester Lighting Co. g. 5's	1950	5,380,000	J & D					

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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MISCELLANEOUS BONDS—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	AUGUST SALES. *High*	AUGUST SALES. *Low.*	AUGUST SALES. *Total.*
TELEGRAPH AND TELEPHONE CO. BONDS.								
Am.Teleph.&Teleg.coll.trust.4's	1929	28,000,000	J & J	96½	Apr. 29,'03	....	...	....
Commercial Cable Co. 1st g. 4's	2397	10,828,000	Q & J	100½	Apr. 8,'02	....	....	....
" registered			Q & J	100½	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.								
Erie Teleg. & Tel. col. tr. g s fd 5's	1926	3,905,000	J & J	109	Oct. 7,'99	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's	1918	2,000,000	M & N	114	Nov. 7,'02	....	....	....
" registered			M & N					
N. Y. & N. J. Tel. gen. g 5's	1920	1,261,000	M & N	105¾	July 2,'03	....	....	....
Western Union col. tr. cur. 5's	1938	8,504,000	J & J	105	Aug.19,'03	105	105	1,000
" fundg & real estate g.4½'s	1950	16,000,000	M & N	103	Aug.26,'03	103	102	25,000
Mutual Union Tel. s. fd. 6's	1911	1,957,000	M & N	107½	June22,'03	....	....	....
Northwestern Telegraph 7's	1904	1,250,000	J & J	104	May 9,'02	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME	*Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1903. *High.*	YEAR 1903. *Low.*	AUGUST SALES. *High.*	AUGUST SALES. *Low.*	AUGUST SALES. *Total.*
United States con. 2's registered	1930	515,411,050	Q J	106⅞	106	106⅞	106⅞	10,000
" con. 2's coupon	1930		Q J	107½	106¼	....	....	......
" con. 2's reg. small bonds	1930		Q J	....	....	....	....	......
" con. 2's coupon small bds.	1930		Q J	....	....	....	....	......
" 3's registered	1908-18	84,789,800	Q F	108½	106¾	106¾	106¾	1,000
" 3's coupon	1908-18		Q F	103	106½	106½	106½	1,000
" 3's small bonds reg.	1908-18		Q F	....	....	....	....	....
" 3's small bonds coupon	1908-18		Q F	108½	106½	106½	106½	300
" 4's registered	1907	176,434,800	J A J&O	111½	109	....	....	......
" 4's coupon	1907		J A J&O	112	109¼	110	109½	4,500
" 4's registered	1925	118,489,900	Q F	136½	134¼	....	....	......
" 4's coupon	1925		Q F	137½	136	....	....	......
" 5's registered	1904	19,385,050	Q F	101½	101½	101½	101½	13,000
" 5's coupon	1904		Q F	103⅝	101⅝	101½	101⅝	14,000
District of Columbia 3-65's	1924	14,224,100	F & A	121	121	....	....	......
" small bonds			F & A	....	....	....	....	......
" registered			F & A	....	....	....	....	......
STATE SECURITIES.								
Alabama Class A 4 and 5	1906	6,859,000	J & J	....	....	....	....	......
" " small		....	....	....	....	....	....	......
" Class B 5's	1906	575,000	J & J	....	....	....	....	......
" Class C 4's	1906	962,000	J & J	....	....	....	....	......
" currency funding 4's	1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.								
Louisiana new con. 4's	1914	10,752,800	J & J	106	106	....	....	......
" " small bonds				....	....	....	....	......
Missouri fdg. bonds due	1894-1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's	1910	3,397,350	J & J					......
" small			J & J	....	....	....	....	......
" 6's	1919	2,720,000	A & O					......
South Carolina 4½'s 20-40	1933	4,392,500	J & J	....	....	....	....	......
Tennessee new settlement 3's	1913	6,681,000	J & J	97	94	94½	94½	7,000
" registered		6,079,000	J & J	....	....	....	....	......
" small bond		362,200	J & J	....	....	....	....	......
Virginia fund debt 2-3's of	1991	18,046,336	J & J	....	....	....	....	......
" registered			J & J	....	....	....	....	......
" 6's deferred cts. Issue of 1871		3,974,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871		8,716,565	....	12	7⅛	....	....	......
FOREIGN GOVERNMENT SECURITIES.								
Frankfort-on the-Main, Germany, bond loan 3½'s series 1	1901	14,776,000 (Marks.)	M & S	....	....	....	....	.....
Four marks are equal to one dollar.								
Imperial Russian Gov. State 4% Rente		2,310,000,000 (Rubles.)	Q M	....	....	....	....	.....
Two rubles are equal to one dollar.								
Quebec 5's	1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's		....	Q J	98⅝	90½	....	....	......
Regular delivery in denominations of £100 and £200		£22,245,920	......	....	....	....	....	......
Small bonds denominations of £20		....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.		....	......	....	....	....	....	......

BANKERS' OBITUARY RECORD.

Brown.—R. E. Brown, Cashier of the Citizens' Bank, Van Buren, Ark., died August 12.

Conrow.—James Conrow, formerly Vice-President of the Astor Place Bank, New York city, died August 26 at Greenwich, Conn. Mr. Conrow was born in New York, February 28, 1836. Early in life he engaged in hat manufacturing, afterwards becoming interested in banking. He became President of the Empire State Bank, and later Vice-President of the Astor Place Bank. He continued in that position until the Astor Place Bank was consolidated with the Corn Exchange Bank.

George.—Samuel George, President of the Wellsburg (West Va.) Banking and Trust Co., died August 6, aged seventy-six years. He was a member of the State Senate and was interested in many large business undertakings.

McCamant.—Joel B. McCamant, one of the organizers of the First National Bank, South Bethlehem, Pa., died August 8, in his eightieth year.

Miller.—John D. Miller, Vice-President of the Rutland County National Bank, Rutland, Vt., died July 27. He was born in Wallingford, Vt., in 1855.

Mr. Miller was prominently identified with many business and financial institutions in the part of the State in which he resided. He had for many years been a director and Vice-President of the Rutland County National Bank, and was a director of the Proctor Trust Company at Proctor, a trustee of the Marble Savings Bank, of Rutland, and was interested in several other enterprises in that vicinity, and also had large interests in the West.

O'Connor.—John H. O'Connor, former President of the State National Bank, New Orleans, and for many years one of the leading business men of that city, died recently in Canada, where he had gone in search of health.

Prickett.—Col. Francis A. Prickett, one of the best-known citizens of Southern Illinois, ex-mayor of Carbondale, and formerly secretary of the board of trustees of the Southern Illinois State Normal University, colonel on the staff of Gov. Joseph W. Fifer, and President of the First National Bank, of Carbondale, died August 31.

Col. Prickett was born in West Virginia, October 27, 1842, but spent the most of his life at Carbondale. He was a thirty-third degree Mason, and for years figured prominently in the politics of his section.

Prindle.—Lewis E. Prindle, who was connected with banking at Kansas City, Mo., for many years, died August 8. Mr. Prindle was born in Michigan in 1831. He located in Kansas City in 1865, where he practiced law for some time. In 1868 he accepted a position with the old First National Bank. After remaining with that bank for several years he became Cashier of the Armour Bros. Banking Company. In 1875 he became Cashier of the Midland National Bank, which was recently consolidated with the National Bank of Commerce. When the two banks consolidated Mr. Prindle remained with the bank and took charge of the liquidations and assets of the Midland Bank. He held this position at the time of his death.

Scott.—Aaron B. Scott died August 4 at Utica, N. Y., aged ninety-one years. Mr. Scott was for a number of years Cashier of the National Hudson River Bank, Hudson, N. Y.

Shields.—John W. Shields, who for the past twenty-one years was Cashier of the First National Bank, Roanoke, Va., and one of the well-known banking men of the State, died August 23, aged fifty-four years.

Smith.—John H. Smith, who founded the First National Bank, San Bernardino, Cal., died August 9 aged sixty-eight years. He was a native of West Virginia, but in 1880 he went to California, establishing banks at Santa Ana, Pomona and San Bernardino. He organized the First National Bank, of San Bernardino, in 1887 and was for several years its President.

Sutcliffe.—Dr. John E. Sutcliffe died July 23 at Louisville, Ky., aged eighty-three years. He was one of the incorporators of the Louisville Banking Co., now the Louisville National Banking Co., and was at the time of his death Vice-President.

Wilson.—Hudson Wilson, President of the Citizens' National Bank, Faribault, Minn., died July 26. He was born in Ohio, and in 1857 located in Faribault, where he opened a private bank. In 1871 the Citizens' National Bank was organized, Mr. Wilson becoming President, and continuing to hold the position until his death. He was one of the oldest bankers in point of continuous service in the State, and was widely known and respected.

THE

BANKERS' MAGAZINE

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THE COMMISSION ON INTERNATIONAL EXCHANGE—composed of Messrs. H. H. Hanna, Charles A. Conant and Jeremiah W. Jenks—have returned to the United States, and some official announcement regarding the results of the work accomplished ought soon to reach the public.

There seems to have been more or less misunderstanding on the subject of their mission, growing probably out of its somewhat technical character and the fact that it differs considerably from that of previous commissions on monetary problems sent to Europe by the United States. Many people have jumped to the conclusion that another effort was being made "to do something for silver" from the bare fact that a commission had been appointed. There is force, however, in the suggestion of one of the members, in a recent communication to the press, that the present body is essentially a gold commission, because its chief object has been to introduce the gold standard into China.

It would be of great economic and commercial importance, as has been several times pointed out by THE BANKERS' MAGAZINE, if China could be put upon the gold basis. The project is a somewhat novel one, but its discussion has been stimulated within the past year by the adoption of the gold standard in the Philippines and by the violent fluctuations in the gold price of silver. It is these fluctuations which have upset exchange and almost demoralized the trade of China with foreign countries. If the fluctuations of exchange could be cured, commerce would be encouraged, loans could be made in China without the present probability of shrinkage in their gold value, and permanent investments would become profitable for the same reason. The Philippine Government has taken the bull by the horns, and its new silver currency, issued on a gold basis, is rapidly coming into circulation. The British Government has taken the first steps towards a similar policy in the Straits Settlements by calling in the old coin and preparing for a new one, and the French Government has entered upon the same path in Indo-China.

The adoption of a gold standard in China is a more difficult task than in the dependencies of the European governments, and has seemed to some to be too difficult to be undertaken. There can be no doubt, however, that the tendency of the times is towards gold, and that sooner or later China must follow Europe and America and their colonies in the East if she is to become a progressive commercial country. Even if the solution of the problem proves slow and difficult, however, the American Commission are probably justified in their belief that the time has come to make a beginning.

THE POINT HAS BEEN SEVERAL TIMES MADE in discussing the request of Mexico and China for the co-operation of the United States, that they were asking co-operation upon a subject on which independent action each for herself would alone meet the requirements of the case. There are reasons, however, of a diplomatic and economic character which, according to their published statements, governed the American and Mexican Commissions in their negotiations in Europe.

In regard to China the problem presents diplomatic difficulties as well as those of a purely monetary character. If the United States should undertake of her own motion to put China on a gold basis, through the offer of expert advice and financial assistance, it is probable that she would find herself confronted with the opposition, open or concealed, of every other leading power. They would justly feel that any one nation which undertook without consultation to prepare a plan for the finances of China was likely to prejudice the diplomatic and commercial prestige, if not the rights, of other powers. It has been chiefly, we presume, to remove this obstacle that the American and Mexican Commissions have discussed the problem of the Chinese currency in Europe. Apparently they have been successful in their essential object of securing endorsement for the principle of a gold-standard system in China. It does not matter so much whether differences of opinion have developed in Europe over the details, because the details are not likely to be settled until the subject has been much more thoroughly canvassed than it has yet been.

The American Commission has apparently bent its efforts to convincing the European governments that the action of the United States was disinterested, that it would involve important economic benefits to the exporting nations by affording them an easier access to Chinese markets, and that the adoption of a stable standard was practicable. In these objects the commission seems from all reports to have been eminently successful. Prof. Jenks is going to China as the delegate of the American Commission to endeavor to crystallize the progress already made into a definite and workable plan acceptable to the Chinese Imperial Government. While his mission will undoubtedly meet with difficulties and delays, the spirit thus far shown by China and her diplomatic representatives seems to augur well for ultimate success.

Mexico is capable of looking after her own monetary affairs, "without the aid or consent," as Mr. Bryan would say, "of any other nation." Her leading statesmen have practically decided to establish the gold standard. Their desire to discuss the matter, however, with the representatives of other countries is normal and reasonable. There are strong reasons why a certain harmony of action should be secured in the coinage ratio of the Oriental countries between gold and silver. Similarity of ratio does not imply similarity of unit, although there seems to have been confusion in some quarters on this point. In those countries which may give a low coinage value to silver, similarity of ratio is desirable, in order to guard against the effects of fluctuations in the price of the white metal.

If silver should rise in price above the coinage ratio, then the coins would go to the melting-pot and the currency system would be destroyed. To prevent such a disaster in the Philippines, in the Straits, in Indo-China or in Mexico, the American Commission seem to have taken the ground that a common ratio should be fixed and that purchases of silver for coinage purposes should be suspended in all these countries when that ratio was reached. The suspension of purchases of silver would check the rise in price and maintain the equilibrium between supply and demand. It is within the power of Mexico or any other government of good credit to maintain a token currency far above its bullion value as is done by the United States and the countries of the Latin Union, but there are strong reasons, which have been urged in Europe, why steadiness in the price of silver, even under the limping standard, contributes its share towards stability of the currency.

MEXICO HAS ANOTHER INTEREST of importance in the international discussion of the question which the United States has not shared to the same degree. This interest of Mexico grows out of the fact that her exports of silver constitute about forty per cent. of her total exports. When the discussion of the monetary reform began she had to confront the problem whether her adoption of the gold standard would not exercise such a depressing influence on the price of silver as to impair the value of her exports and create an adverse balance of trade, which would drain away her gold and impair, if not defeat, the benefits of the reform. In seeking to avert such a catastrophe it is not surprising that she should look for new markets for silver.

Mexican statesmen wisely rejected the belief that that they could gain anything more through the channel of free silver coinage in their own country or any other. If, however, the monetary systems of China and other silver-using countries could be put upon a stable basis, which would result in the expansion of their trade and an increased demand for currency, a market would be created for silver for coinage purposes larger than that which now exists. This consideration appears to be the only silver lining in the golden cloud of the Mexican programme. Sensitive as the American public has become to any plan to promote the interests of silver, it is not apparent that the policy of Mexico is open to serious objection.

If new markets are created for silver by reason of the enhanced prosperity which demands an increased volume of currency in countries where a large quantity of subsidiary money is required, there is no obvious reason why the strongest friend of the gold standard should object to this incidental benefit to the white metal. The gold standard has come to stay in Europe and America, through a succession of victories in one country after another within our own generation. If it can win further victories, even with some incidental enlargement of the demand for silver token coins, the result will be to promote commerce and investment opportunities throughout the world by giving to those countries which are entering the circle of commercial nations the common standard of those which have long had a place there.

What will be the effect of the acquisition of the Sandwich and Philippine Islands and of Porto Rico on the business customs, and especially banking, in the United States, may perhaps be a premature question. Conditions are not yet sufficiently settled, nor from the distance of these possessions and the small proportion their population bears to all who now live under the American flag, does it now seem more likely that appreciable effect can be produced than that the inhabitants of the moon can have any effect upon those of the earth. But ideas are often powerful beyond expectation, and even now in the world of politics apprehensions are at least affected that the spirit of domination which often is consequent on conquest will produce in the long run results that will tend to change the free institutions of the United States for the worse.

The attempt to graft branch banking upon our system certainly gained its greatest strength immediately after the Spanish war.

Whether the advocates of modifying our present system by making branch banking possible were influenced first by the thought that our bankers ought to be facilitated in extending their business in these new possessions or not, is an open question but one which must reasonably be answered in the negative. Nevertheless, there are some considerations that point to the conclusion that the possibility of colonies and outlying territory suggested that in financing the various enterprises our citizens might undertake in the new and distant territories, it might be very convenient to have some addition to our banking machinery. .

The opposition to branch banking, whatever the motives that led to its advocacy in Congress, which immediately manifested itself, indicated that no opportunities which it might afford in colonial finance would compensate for the disadvantages which it would cause at home.

But whether the desire for branch banking may have been one of the manifestations of the influence of our foreign possessions on banking at home or not, there are other ways in which as time goes on our banking ideas may be influenced. Both in the Philippines and in Porto Rico are banking institutions, doing business under old Spanish charters, which have vested rights and are likely to continue. Our business men going to these places will be quick to learn the difference between these colonial methods and those they are accustomed to. It is hardly possible that banks on the American plan, such for instance as our National banks, can compete with the Spanish banks which have the right to use bank notes to an almost unlimited extent, owing to the monopoly which they virtually possess. It is not impossible that a desire to do business with the margin of profit which these banks in these islands enjoy may sooner or later lead to modifications in our own system. These modifications may be connected not only with bank notes but with the manner of making loans and advances on property, and may be advantageous or otherwise; but it is believed that it will be better to avoid the possible danger of impairing the usefulness of our present system by such innovations as might be suggested by the practices of banks on the Spanish monopolistic plan by doing away with these institutions after fair compensation for their vested rights. In favor of the abolition of foreign banking methods in the Philippines, the welfare of the people of those islands is an important argument.

The superior success of this country in the development of its resources is due more to the free banking facilities extended by our system than to any one other factor. The marvelous growth of the United States as a nation has been ascribed to various causes—to our great territory, to the natural resources contained within this territory, to the energy of the people, and to free institutions. Every one of these qualifications, except the last, has existed, and perhaps still exists, in other countries. The territory of Russia is as great, and natural resources are perhaps not inferior. The energy of a people is not properly a quality peculiar to race. It depends on opportunity. Given a chance to better their material condition, and any race will show energy. Given the chance, any race will seek to enlarge its intelligence. In the United States almost every race is represented, and whatever they are at home when they come to the United States they equal and sometimes surpass those who were before them. Give any race an equal chance to work for suitable reward, and energy and intelligence, and even the desire for higher education, will follow.

In free institutions the United States is held to excel, but it is doubtful whether in practice the right of the individual citizen to gain his living is any better protected than in other countries where the government is more despotic. The despot in the United States is public opinion, and individuals and races are, in various ways, oppressed by it and vainly seek protection from it.

The one thing in which the United States affords a better opportunity than any other country to get rich is in the ease with which any man can obtain capital to work with. This is due to our free banking system. Every honest man, every capable man, can on due proof of his honesty and capability obtain the help he needs to encourage him to exert himself. It is the sum of this encouragement that creates the energy which is said to characterize American citizens. It may be admitted that respectable instances, adverse to this theory may be adduced, but on close analysis of the various activities and the various inactivities of individuals and races, and even of their varying degrees of intelligence, it will be found that the encouragement given or withheld by opportunity or lack of opportunity is the secret of individual and race energy or the contrary.

Nothing has enlarged opportunity or the power to seize opportunity like the power to use capital at reasonable rates. This is what a free system of banking gives. It may be further said that no country in the world possesses a system of banking so well calculated to aid the average citizen to improve and to create opportunity as ours.

Financial writers, like the historians, are apt to enlarge on the great kings and leaders of finance and their great exploits in the financial field, but there is little said about the homely and minute services which are rendered to the millions of average toilers by a good system for distributing capital where it is needed. Finance has been too much devoted to the purposes of those who would wring money from the people for public and private ends. It is not pretended that the free bankers of the United States are philanthropists or that they furnish benefits for nothing, or that they do not to the best of their ability line their own pockets; but where any capitalist can become a banker competition forces a generosity which answers the same purpose as if it came from the heart.

If, then, this country is to do all that it can for the inhabitants of the Philippine Islands, if they are to be improved in energy, in intelligence, in the desire and power to develop their resources, why not give them the instrument which has proved so effective here at home? Do away with the monopolistic banks, which deal only at arms' length with the people through middlemen and usurers, and encourage the small capitalist by letting him use his money in his immediate vicinity. Nothing will develop the people of the Philippines and the resources of their islands like putting them in the way to create their own capital and use it among themselves. A system under Government supervision, modelled not on our National system but on the State banks, would be the best to start with. As the country grows in wealth some features of the National system might be introduced, but on no consideration permit anything in the nature of an asset currency. When favorable opportunities are afforded nothing more will be heard of the lack of energy of the Filipinos.

THE AMERICAN INSTITUTE OF BANK CLERKS recently held its first convention, at Cleveland, and the meeting is reported to have been a great success. This organization of bank clerks was started by the efforts of the American Bankers' Association. The idea was to direct the attention of the employees of banks to the advantages that might be expected to accrue, both to the banks and to the employees, from a system which encouraged educational training in finance and banking outside of the ordinary routine of business.

As banking became more specialized, or as individual banks became larger and more complicated institutions, the work of the individual clerks is apt to be confined to narrower spheres. In a small bank one man frequently performs many duties, and he learns to be an all-round man as far as the business of that particular bank is concerned. He may be teller, accountant, messenger and janitor, all combined. He is the confidant of the manager or President and learns all about the art of gaining deposits, making loans, and doing whatever adds to the dividends of the stockholders and the strength of the bank. But the small bank cannot teach to its factotum all that there is of banking. The large central bank, with its train of correspondents, fills a much greater sphere and affords opportunity for viewing a wider horizon of the banking world, but in such an institution the work is specialized and the ordinary employee seldom in the course of business gets the opportunity to look beyond the cage that contains his immediate and pressing duties. Nor to day is even the largest bank a perfect school of financial knowledge. Since cosmopolitan financial dealings are now an important part of finance, involving private and public borrowings and lendings, to learn all there is to know by personal experience is out of the power of the ordinary clerk or employee. It is, of course, within the power of men of exceptional ability, or who are placed in exceptionally favorable circumstances, to make financial leaders of themselves by what may be called practical experience. The millionaire financier may train his sons or proteges in this way when they show aptitude and ability, but the ordinary clerk who commences life with no specially favorable opportunities has less chance to advance than was once the case. Opportunities to rise cannot be grasped because he has been narrowed by a multitude of special duties.

The American Bankers' Association some years ago sought to arouse the minds of both bank managers and clerks to the importance of studies bearing on the general subject of banking and finance to the great body of those engaged in the banking business. The necessity and advantage of education, both in a broad sense and in a technical sense, to the members of the banking fraternity was earlier recognized in other countries than in the United States. This was due both to the greater experience that older countries acquire, to the difference in the system of banking, and to a certain extent to the greater prevalence of caste. The latter consideration was formerly of greater importance in foreign countries than it is now, but the hereditary facility in certain lines of business which was the result of sons following in the business of their fathers had much to do with the success of foreign bankers and business men. When NAPOLEON desired men who could translate cipher dispatches, he found in the post office of France men whose fathers had been employed at this work under Louis XIV and other earlier kings.

The systems of banking abroad tended to the concentration of the business in the hands of a few great banks, and as the business expanded and new territory was covered it was done by means of branches. Men to manage these branches had to be trained in a manner that could not be accomplished satisfactorily in the home institutions, and in Germany, France, and England there are now schools which give the bank employee opportunity to fit himself by extra effort for positions requiring a wide knowledge of the general scope of the business.

In this country the bank itself has been the school in which our bankers have usually learned. Of course, the original starting of banks here implied a knowledge greater than common on the part of the originators, and yet the history of banking in the United States shows rather the ignorance than the wisdom of the early bankers. Although there are shining exceptions, as that of ALEXANDER HAMILTON when he planned the first Bank of the United States as the financial support of the Federal Government. Other banks of this period are still in successful operation and show that there was much real banking science in the heads of some of our ancestors. But with the development of free banking, and the possible admission to the business of every citizen, whether competent or not, the disasters of our early banks show that ignorance and self-sufficiency worked very disastrous results. If the competition insured by the free banking principle had not made the institutions numerous and small, the ensuing troubles might have been greater. These numerous small banks were, however, the training schools of men who learned all that then was required thoroughly because each of them as a rule had a whole bank to learn in. While most of these men became expert in their business, yet there was a jealousy of each other generated by competition, which for a long time prevented the mutual support that has become by degrees a feature of our system. It took many disastrous financial panics to impress bankers with the necessity of throwing aside much of the spirit of hostility which was the result of early competition. The American Bankers' Association was formed to bring about a better understanding between the scattered bankers and to teach them that even with free competition there might still be a unity of purpose in attaining objects beneficial to all. To this association and to the spirit of association and interchange of ideas that have grown out of its efforts, can be fairly ascribed the broader lines on which competition in banking is to-day conducted.

The growth of the country and its increasing wealth have extended the scope of the banking business of the United States and built up great banking institutions and specialized many forms of the business. But with this growth and development it becomes more difficult for the young man entering on a banking career in the lowest position and expecting to work up to attain the promotion he desires. The American Bankers' Association, in its educational scheme, was thinking of these things, and has sought to encourage a spirit of study and inquiry among bank employees, while pointing out methods in which this spirit may be profitably exercised. The convention held in Cleveland was the first important gathering of bank employees held on a national scale. The representation was not as widespread as may hereafter be expected, though satisfactory for a first gathering of this kind. There was, it is said, some manifestation of a desire to cut loose from the American Bankers Association and run the Institute of Bank Clerks as an independent affair. If any such idea had any support it would have been an extremely unwise course to have encouraged it. The spirit of independence appears to be so much in the air of this country that no body of men seem to be able to get together without declaring themselves independent of something. But employees should reflect that they are still dependent on employers, and should ask themselves the question, How many employers, before the American Bankers' Association took this matter up, would have encouraged their clerks to attend such a convention, or given their reluctant consent that they might attend it? The work of the American Bankers' Association in this respect has been educational to employers and employees alike.

THE CHANGE OF OPINION as to the availability of the bank note as a banking device has been very pronounced during the last ten years. As a means of providing a currency when the Government should cease to issue paper money, there seemed ten years ago hardly a dissenting voice that the promissory note issued by banks was the only substitute. Of course there was great diversity of opinion as to the style of bank note and the character of the security behind it. The discussion has taken a wide range and it has been generally agreed that the National bank note, based on United States bonds deposited, was lacking in the qualities which in other countries rendered the bank note a desirable banking device. Nevertheless, the safety of secured notes has made the people of the country reluctant to accept any bank note less safe. The advocates of asset currency have attempted to prove again and again that bank notes based on the general credit, limited in amount and protected by a safety fund, were just as safe as the bonded notes, but although they have convinced themselves, they have not gained enough converts to assure the success of their plans.

It is believed that the vigorous discussion of the subject which has been going on, instead of strengthening the cause of asset currency, has revealed many defects, and has shown the impracticability of introducing it in the United States. In fact, many who once thought it practicable have been forced to recede from this position.

The general utility of the bank note as a device in modern credit banking is in reality being called in question, not only in the United States but in other countries. One reason of this loss of faith in the credit bank note is the great increase in the gold supply. What is the necessity of using substitute money when an ample supply of real money is within reach? It is found, moreover, that in the most advanced countries where the credit bank note was supposed to flourish that the credit element in the notes used has been gradually diminishing and that the so-called credit note is gradually approximating to the coin certificate. The coin reserves held against the notes of the great banks of England, France and Germany are being continually increased. Thus, the very foremost examples of use of the bank note are losing their force as incitements to adopt a credit bank currency. The extent to which the property of the country is being made available for exchange by the employment of the bank account has increased beyond all precedent. The bank deposits of the country represent its property placed in a liquid form. These deposits, transferred by checks and drafts, and the clearing-houses, by means of which these checks and drafts are exchanged and settled, afford a method of doing an immense amount of business without the use of money. But when settlement is made of these credit transactions it is felt that the settlement should be final. Therefore, balances are required to be paid in a final way and real money is the only thing to effect final settlement. Every business man has felt that when balances were paid in coin or in National bank notes based on bonds, or in greenbacks or in coin certificates, that the settlement was a finality. But even the slight element of uncertainty existing in the present paper money has by some been recognized as a source of danger, and these think that currency reform cannot be called reform which seeks to substitute a paper currency containing a greater element of uncertainty for one containing a less.

If there is to be reform, let the country go on in the direction now taken by the most advanced European nations, and by degrees approximate our paper currency to gold certificates. The great supplies of gold now realized throughout the world make this practicable for a nation as rich as this country.

THE BUGBEAR OF BANKING IS FAILURE. That the theory of banking is a correct one is shown by the fact that there are banks in existence that have never technically failed although some of them have been in operation for a century or more. When it comes to saying that there is any bank in existence that has lasted for a century and has not asked for time on a single demand obligation, one may well hesitate. To ask for time and to have the lapse from immediate payment condoned constitute suspension. The suspension of payments under exceptional circumstances is no disgrace even to a well-managed institution, as some of the most solid banks in existence to-day have been obliged to resort to this expedient. A bank often goes out of existence without any failure, either by the termination of its corporate existence or because its stockholders wish to go out of the business. A voluntary liquidation is often a sort of failure in the sense that the enterprise was not successful enough to warrant its continuance. But it is the genuine breakdown that forms the obstacle to granting certain banking privileges by law that might add to the ordinary usefulness of a bank.

Failures are caused either by dishonesty or mismanagement. Of course there are often different degrees of dishonesty connected with mismanagement, but the failures of thoroughly honest bankers are extremely rare. No doubt under a free banking system men who are unacquainted with the technicalities of banking often start banks, and it is the fashion to ascribe failures to ignorance and inexperience; but the men who start banks are, as a rule, men who know enough to accumulate the necessary capital, and must have knowledge of the values of the securities that form the basis of loans in the place where their bank is located. Nor can those men be entirely acquitted of dishonesty who invest the funds of the bank they control in speculative enterprises of their own or others. When two banks in the same place, one of which has failed and the other not, are compared, the fact that one bank holds firm while the other failed shows that the bank failing might have avoided dangerous conditions as well as the other did.

It is easy, therefore, to conclude that in every locality, and for banks of large or small capital, there must be some invariable rules which, if observed, will protect a bank from failure and even from suspension except under very unusual conditions. These rules are well known, and there is no need of repeating them here. The bank directors and officers of banks that fail sin against the light that they possess. The only excuse that can be made for them is the excuse always made for human weakness. They abandoned the strict rules that should govern banking and took risks either for the supposed benefit of the bank or for themselves.

It is plain that no banking rules, no supervision by higher authority, can absolutely prevent bank failure. But good banking laws, Government supervision, and severe penalties enforced with impartiality and vigor, discourage dishonesty and tend to reduce failures to the lowest possible point.

In regard to failures much talk is heard about the reserves which a bank ought to maintain. It is not believed that a reserve alone ever saved a bank from failure, or that the lack of sufficient reserve is a frequent cause of failure. No doubt when banks exercised the right to issue their own promissory notes, without special security, reserves cut a more important figure than they now do. Notes of this kind were used to pay deposit liabilities and they passed into the hands of parties who did not know the bank well and among whom distrust was more easily aroused. Some have, without due consideration, argued that a deposit liability and a liability for an unsecured note are identical in their nature. In that the bank gives no special security for either, they are similar, but the difference lies in the fact that a deposit account is a debt to a customer who knows the bank well and has confidence in it, whereas the note may get into the hands of strangers who always have more distrust. If the depositors of a bank make a run upon it and are paid in notes, how do the notes allay the distrust that caused the run? If there is an unusual demand by depositors on account of business needs, and the bank pays in its own notes, then it will find that the notes will come in for redemption faster than the deposits will return in other money. No bank ever saved itself by the issue of notes where distrust existed, and if a bank is in such a condition as to be unable to pay depositors' checks when demanded in cash, it would be more honest to fail at once than to attempt to postpone what must surely come by the issue of notes.

But even where notes have been most carefully used they require larger reserves than deposit accounts, because of the greater degree of distrust that attaches to them. The law required reserves on the secured National bank notes for eleven years prior to 1874 equal to the reserves on deposits, but when it was found that the note holders never sought to redeem these secured notes, the law requiring reserve on them was abrogated.

But with the banks of the present time, State or National, issuing no unsecured notes, it is believed that too much stress is laid on reserve as a protection against failure. Deposit accounts are chiefly transferred by checks—settled by exchange, but while this lessens the demand for cash, the reserves would be of no more importance were all checks actually paid in cash. Every day the cash paid into a bank is equal, or greater or less than the cash paid out. If it is equal there is no call on the reserve; if the cash paid in is greater, the reserve increases; if the cash paid in is less, the reserve is diminished. Some margin of reserve is no doubt necessary, but why should it be twenty-five or fifteen or any other per cent. of deposits? If the cash payments in and out show a steady tendency to decrease the cash on hand from day to day, it seems about time to call in loans and liquidate other resources for cash. The wise banker finding cash diminish will do this at once. Why should he wait until a certain fixed percentage of reserve is reached? But if the supply of cash coming in continues to diminish faster than the bank can liquidate its loans or other resources, the bank must suspend or fail. This process of liquidation ought to proceed or stop as the supply of cash daily falls off or increases. Why should any fixed margin of reserve be of any great importance? Reserves kept at fixed percentages have no doubt some effect on the minds of the bank's customers, and perhaps sometimes avert distrust, but their lack is seldom, if ever, the cause of failure. The real cause of failure has generally got in its work before the reserve disappeared.

THE IMPROVED BANKING DEVICES now generally in use, especially in the accounting department, represent a commendable spirit of progress both upon the part of their originators and the banks that employ them. With the remarkable growth of banking in recent years and the increase in competition, it would be exceedingly difficult to transact business in all respects as was done a quarter of a century ago, or perhaps ten years ago. Judicious improvements in the methods of accounting and in the books and systems used were imperative.

It is to be regretted, however, that in the haste to provide the means for economizing time and labor some new loopholes for dishonesty have been furnished at the same time. Bank examiners, in reporting on the defalcations which have wrecked a number of banks in the past few years, have frequently criticized the introduction of some of these labor-saving systems as tending to facilitate, and even to invite, dishonesty on the part of bank employees.

While these criticisms are no doubt justifiable, considering the extraordinary degree of care that should pervade the management of a bank, it would be unfortunate if they should lead to a return to antiquated and discarded methods.

These modern systems, as their weaknesses are developed by experience, will no doubt be improved and perfected so that they will not only save time and labor, but will be as safe, or perhaps safer, than the old-time methods. It is believed that the same skill that devised these improved systems will be capable of adding to them such safeguards as may be necessary to fully protect the funds of the banks from the dishonest men who sometimes get into the employ of these institutions. In a certain sense (though not in legal contemplation), bank deposits are trust funds, and they cannot be too carefully shielded from attacks, both within and without the bank.

While the great majority of bank employees are thoroughly trustworthy, the mischief that one dishonest employee among thousands may do is amost incalculable, for the ill effects of an embezzlement always extend beyond the bank immediately concerned. Public confidence is one of the most valuable assets a bank can have, and whatever tends to impair it should be tabooed.

GOVERNMENT AID TO THE MONEY MARKET.

The assurance of Secretary Shaw that forty millions in public moneys are or will be available for deposit with the banks, and may thus if required be turned into the channels of circulation, should the fall trade demand, ought to allay all fear of the willingness of the present Administration to protect the money market. This announcement of the Secretary indicates how far public opinion has veered in favor of the banks. The cry of benefits showered on these corporations by the Government is now less frequently heard, because people are beginning to understand that the transaction is not so altogether one-sided as might easily be supposed at first sight, the banks in fact rendering valuable services in return for a valuable privilege.

This amelioration of public opinion makes it easier for the Secretary of the Treasury to exercise his discretion and thus avert some of the dangers attendant upon the imperfect monetary laws by which he is controlled. The men who have been at the head of the Treasury Department have during the last fifty years seldom exercised the discretion entrusted to them unwisely, and none of them has appeared to be governed by motives of personal interest, nevertheless the power to influence the amount of the surplus funds which should be restored to a thirsty market is a very great one to be entrusted to one man. The fear of political effect has been, until within recent years, an almost perfect check on any Secretary who might be inclined to tamper with the money markets, by judicious use of the deposit of public funds with the banks. But this check is losing its original force.

There is room for Congressional action, regulating the handling of temporarily accumulating public funds so that they will as a matter of course remain in the channels of circulation continually, and not be as they are now forced out by law only to be put back at the discretion of the Secretary. No such difficulty with the public funds is encountered in Great Britain, France or Germany, and the example of these countries indicates that there are ways in which the public may be protected from the influence of public financial operations. The Treasury here is appealed to by the business public to allay the troubles it creates, and it responds in a variety of ways, all of them causing business men to feel that the Treasury is paramount. This encourages speculators to watch the periodical damming up of the channels of circulation and to raise an outcry calculated to have the congestion relieved just at the right time to suit their petty operations, regardless of the injury which may be generally inflicted. The discretion of the Secretary is thus often liable to influences of which the official himself may be unconscious.

There are so many obstacles in the way of any change in our financial laws that it is almost useless to talk of any change, but there is a widespread feeling among business men that certain classes benefit more than others under the present methods of handling the public moneys imposed by law and custom. The volume of the currency available in the ordinary channels of circulation now depends very much on the action of the Secretary of the

Treasury, and he himself is confined in his action by the curious interdependence of our monetary laws. Thus if he desires to enlarge the amount of public money on deposit with the banks, he finds that he is inducing the banks to retire their circulating notes. The object of placing more public moneys with banks is to increase the volume of money in circulation. But if the banks, in competing for United States bonds to deposit as security for public moneys, cause bond premiums to rise so that other banks are induced to retire their circulating notes and take out their bonds, in order to obtain the high premiums, it does at first sight appear discouraging. But it is unreasonable to blame the banks. The motive controlling these institutions is profit. If any course of action promises profit, the bank will take that course. The premium on the bonds is a legitimate temptation to sell. The retirement of bank notes naturally follows the rise in premiums. But banks in all parts of the United States are not affected alike. It is well known that in localities where the current rate obtained for loans is higher the profit on circulating notes based on bonds is less than in the localities where the current rate for loans is less. It follows that all banks are not induced to withdraw bonds at the same time. When the premium on bonds offers an inducement to the outside or country bank to retire its circulation, the issuing of notes may still be profitable to the banks in the money centers. While some banks therefore sell their bonds and retire their circulation, others acquire these bonds and issue notes, or perhaps they use the bonds to obtain public moneys. In other words, the withdrawal of bonds to obtain premiums does not necessarily make a scarcity of currency. In fact, these changes of bonds from one bank to another may cause a redistribution of the available currency which causes it to circulate where most needed. The effect of the premium on bonds in causing a stringency in the money market has perhaps been exaggerated. Such an exaggeration is most natural if in considering the subject the bank-note circulation alone is dealt with. In estimating the effect of a movement on the part of some banks to sell bonds, the currency of the country must be taken in is entirety. Government notes are an almost constant quantity. Gold and silver coin, especially gold coin, increases or diminishes with the demand for it. If the retirement of bank notes is compensated for by an increase in coin, the general aggregate of available money is not diminished.

The effect of a retirement of bank notes must be viewed from several standpoints. The amount retired by some banks may be equalized by the new issues of other banks. It may be made up by importations of gold coin. In either way the aggregate amount of money may be maintained at the same figure or even increased. But apart from the aggregate amount outstanding, the effect of a new distribution should be looked at. A bank in one locality may deposit coin or legal-tender paper and retire $100,000 of its notes. Strictly speaking, the notes said to be retired are still in circulation. The coin or legal-tender notes placed in the Treasury are not necessarily held there ; they may be immediately paid out for expenses or deposited with other banks as public moneys. The bonds withdrawn may be sold to some bank that uses them perhaps as a basis for public money deposits or perhaps to issue new circulation. It can readily be understood therefore that a very considerable retirement of notes and withdrawal of bonds by the banks in one locality may result in an increase in actually available money rather than in a diminution. The bank retiring its notes, amounting to, say, $100,000, and selling its bonds of the same amount, may secure $108,000 to loan in its own locality.

Owing to the great diversity of rates of interest in different parts of the United States, it is a matter of no little importance that the banks where circulating notes are not profitable should have every facility to sell their bonds, so that the banks where circulating notes are profitable may buy them, and also where circumstances render the use of the bonds as security for public moneys desirable that in such localities they should be obtainable.

This very desirable free interchange of bonds is hampered and checked by the law of 1882, which fixes the limit of $3,000,000 per month on retirement of National bank notes. This law was passed to prevent an imaginary conspiracy on the part of all the National banks in the country to retire their circulation at one stroke so as to oppress the business public. But under normal circumstances the interests of the National banks are not the same, nor have they ever shown any disposition to act in concert. If this three million limit were removed, and the banks given absolute freedom in retiring circulation and withdrawing bonds, a redistribution of money from localities where it was not needed to those where it was in demand would be encouraged, and there would be much less reason to complain of the lack of elasticity of the money of the country. Elasticity consists not only in suitable variations of the aggregate amount, but also in suitable facilities for distribution from one locality to another as it happens to be needed.

It is astonishing that these things are not better understood. The assertion that Secretary Shaw would endeavor to prevent banks from retiring their notes and regaining possession of their bonds, if true, shows that the Treasury authorities are in something like mediæval darkness on some phases of finance. To prevent the banks from trading in their bonds by threat of disfavor is of an analogous nature with the attempts of Legislatures to fix the price of provisions. There is not the least doubt that such a threat will delay the banks which some time ago deposited municipal bonds as security for public deposits from carrying out the recent order to substitute United States bonds for these securities.

All causes which restrict the banks in the retirement of notes and sale of their bonds, such as the $3,000,000 per month limit, the alleged threat of disfavor, etc., tend to diminish the supply of bonds in the market from what it would otherwise be and thus force the market premium above normal.

It is believed that much of the lack of elasticity in the present currency is due to the manner in which the banks are handicapped in selling their bonds. If all restrictions were removed and banks were encouraged to sell, it is believed that many millions of bonds would change ownership, and come into the hands of those who could employ them to much greater advantage than the present holders as a basis of security for either circulating notes or for the deposit of public moneys. But even if bond premiums should reach a point at which all National banks found it profitable to retire their circulating notes, the consequence would be the increase of gold certificates based on the gold coin which normally would flow into the country to take the place of the bank notes. If the bonds were no longer needed as security for circulating notes, they would be available as security for deposits of public money, and thus aid in distributing currency among the localities where it was most required.

CLEARING-HOUSE CURRENCY.

Clearing-house circulation is not a very new idea. It has cropped up in various forms for a number of years. A bill embodying the idea has been before Congress, introduced by Mr. Pugsley, of New York.

The dangers of permitting the individual independent banks of the United States to issue notes based on their general credit being recognized, some way of affiliating these banks in a manner to combine their strength was the next step. Branch banks were proposed, but it was at once seen that this would lead to consolidation and deprive the country of the many acknowledged advantages of the independent system. The clearing house seemed to afford a way out of the difficulty, and in the Pugsley bill a way is pointed out in which clearing-houses, properly organized by Federal law, can consolidate the strength of the separate banks for the purpose of issuing a safe note circulation and yet in no way interfere with the business of each separate bank in any other line. The plan appears to possess some advantages, but it may not prove so easy of successful execution as its advocates seem to imagine.

The clearing-house as it exists to-day is an institution which has risen out of the necessities of banks doing business in close neighborhood. The New York Clearing-House is typical of them all. It was formed to facilitate the exchange of checks and drafts which each bank receives in the ordinary course of business. The machinery is extremely simple, and the so-called association is not incorporated. In effecting the exchanges balances due from each bank to the others are paid in coin or its equivalent. In times of financial crisis the associated banks experienced such a scarcity of the money in which balances were usually paid that they were compelled to resort to the device of pooling their credit, and on the strength of this issuing, through a committee representing the whole, certain certificates bearing interest. These certificates could be obtained by any bank short of cash to pay its balances, in such amounts as were needed, by depositing its bills receivable in amount and quality satisfactory to the committee. As cash was received upon the securities or paid otherwise, the certificates were redeemed and cancelled. The outside public seemed to have an idea that these certificates were of the same uniform quality and value as bank notes are supposed to be. That the value of these certificates depended on the securities placed in exchange for them is too evident from the fact that some were promptly turned in and cancelled, while others were not paid for months after their issue.

In the clearing-house associations of to-day each bank stands upon its own conditions and credit as far as possible ; the banks as associates take no more responsibility for each other than they can possibly avoid. The taking out of the certificates in times of panic is regarded as a necessary evil. For a bank to be compelled to take them out is looked upon as a confession of weakness. It is true that for their own protection the associated banks are often compelled to carry along a weak sister, but if it were not for the danger that might in such times come to all, they would no doubt prefer to let the weak bank go to the wall.

Clearing-house certificates are by no means a pleasant remedy. The stronger banks feel that they are to a certain extent imposed upon by having to take risks for the weaker ones. It must be remembered also that the present clearing-houses are composed usually of what may be considered the strongest banks.

The present clearing-house certificates cannot be circulated as money; they are in large denominations and bear interest, and are as a rule only passed from one of the associated banks to another. It is no doubt true that these certificates might be made in the denominations of ordinary bank bills and of the same size and form. The clearing-houses as they now exist could so issue them if it were not for the ten per cent. tax on all notes or documents fitted and intended to circulate as money, except National bank bills. If Congress should see fit to repeal this tax as far as existing clearing-houses are concerned, the clearing-houses so permitted would perhaps try the experiment. If such certificate notes were issued by existing clearing-houses, they would be undoubtedly used with discretion and called in and redeemed when the necessity for their use had passed. If, however, the privilege were given to any clearing-houses that may be hereafter organized, it is to be feared that so-called clearing-houses would be organized for the sole purpose of issuing these notes.

The simplest way of developing an emergency note out of the clearing-house idea is to start with the existing clearing-houses and with them alone. These clearing-houses are in the natural money centres. Each of them has its well-defined membership, and this membership has its special clientage of corresponding banks, not circumscribed by geographical lines, but connected strictly by natural business affiliations. The country is very completely covered by clearing-houses now, and the experiment, if made, should be made with them exclusively. As other clearing-houses were organized in good faith in real money centres, provision might be made for the new clearing-houses. If the experiment proved a failure, if the bills issued were not redeemed as soon as the occasion for them passed, the whole plan could be revoked by re-imposing the ten per cent. tax.

THE NOTED FORGERY CASE in San Francisco a few years ago has been passed upon recently by the Supreme Court of California, in an action brought by the Crocker-Woolworth National Bank vs. the Nevada Bank of San Francisco. The decision is fully reported elsewhere in this issue. The conclusion reached by the court is interesting as bearing upon the question of payment of raised checks through the clearing house. Should other courts follow this decision, some amendment of the rules of most clearing-house associations would appear to be necessary to adequately protect the paying banks.

PRAISE FOR THE MAGAZINE.—Messrs. Ed. McCarthy & Co., bankers, Galveston, Texas, write under date of September 19:

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RECOVERY OF MONEY PAID ON FORGED CHECKS—CLEARING-HOUSE RULES.

Supreme Court of California, July 14, 1903.

CROCKER-WOOLWORTH NATIONAL BANK VS. NEVADA BANK OF SAN FRANCISCO.

When a "raised" check is deposited with a bank for collection and indorsed by it with a restrictive indorsement, in such manner that the indorsement conveys no representation that the collecting bank is the owner, and no such representation is otherwise made, and the proceeds, after payment by the drawee bank, are paid out by the collecting bank to the payee, the collecting bank is not liable to the drawee bank.

It is competent for banks belonging to a clearing-house association to adopt rules governing the effect of indorsements among themselves, even though such rules vary from those prescribed by the statutes of the State.

Under a clearing-house rule that negotiable paper deposited for clearance shall bear the stamp of the depositing bank, which shall be "for clearing-house purposes only," and shall guarantee the validity and regularity of prior indorsements, such an indorsement conveys no representation to the drawee that the depositing bank claims to be the owner of the paper, and, where the check has been "raised," the collecting bank may show that it acted merely as a collecting agent for another, to whom it paid the proceeds.

This was an action by plaintiff to recover money paid by mistake upon a raised check. The facts were that on December 9, 1895, the Bank of Woodland, in Yolo county, Cal., drew its check upon the Crocker-Woolworth National Bank of San Francisco for $12, to the order of one A. H. Dean. At that time, and for some little time prior thereto, Dean was a depositor in the Nevada Bank of San Francisco, and had therein a commercial account, with $1,000 or $2,000 to his credit. Dean fraudulently altered the check by changing its date from December 9 to December 13, and raising its amount from $12 to $22,000. On December 17, 1895, he placed his name, by way of general indorsement, upon the back of the check, and deposited it with the Nevada Bank, making out and delivering with the check the usual deposit tag. The bank thereupon entered upon the pass-book of Dean a "provisional credit" for the amount of the fraudulent check. On December 17, 1895, the Nevada Bank placed its clearing-house stamp upon the back of the check and sent it to be cleared in the usual way. The Crocker-Woolworth National Bank, which was the correspondent of the Bank of Woodland, had funds of the Woodland Bank on deposit, and the check was honored, under the clearing-house rules, the Nevada Bank receiving the credit due to it. On the day after the payment was made—that is, on December 18—Dean checked out of the Nevada

Bank the sum of $20,000, leaving about $2,000 of the amount of the raised check still to his account, and fled the country. He was a forger, a common criminal, and insolvent. The Crocker-Woolworth Bank did not inform its correspondent, the Bank of Woodland, of the payment of the check until the 3d of the following January. On January 4 it ascertained from the Bank of Woodland that no such check had been drawn, and consequently knew that a fraud had been perpetrated. It notified the Nevada Bank, and demanded payment of the $22,000, and offered to return the raised check. Judgment in the court below was in favor of the Crocker-Woolworth National Bank, and the Nevada Bank appealed.

HENSHAW, *J.* (omitting part of the opinion): The facts in the case at bar, summarized, amount to this: By the affirmative error of the plaintiff, money was paid to the defendant, who was the agent of Dean. The defendant, after receiving payment, did as in law it was bound to do (Svendsen vs. State Bank, 65 N. W. 1086), pay the money to its principal upon his demand, and thus changed its position so that, if recovery is had, the loss must inevitably be borne by it. The application of the principles above enunciated to these facts would absolutely bar a recovery, unless there be some peculiar feature of the transaction—some especial act of the defendant—which takes the case out of their operation, and which, by reason of defendant's own conduct, casts liability upon it.

The acts, facts and circumstances which by respondent are held thus to render the defendant liable are epitomized in the following finding of the court. After having made findings clearly establishing that, as between the defendant and its depositor Dean, the bank had taken the check for purposes of collection only, the Court adds: "At and before the time of making such payment the plaintiff had no notice or knowledge whatever thatthe defendant was not, as it purported and represented itself to be, the absolute owner and holder of said check, and no notice or knowledge that the said check was presented by the defendant as agent for collection only, or otherwise than as owner and principal."

The value and importance of this finding to support the judgment arises from the principle above stated, that if one be, or hold himself out as, the owner of such paper, then a recovery may be had against him, if it be seasonably sought, because he will be the holder of money paid, which in good conscience and equity he should not be allowed to retain ; whereas, in the case of an agent, recourse is limited to the principal. Of course, the all-governing rule being that the defendant holds money which in good conscience he is not entitled to hold, it can matter not whether (if in fact he was an agent) this agency be known or unknown to the drawee, provided only that the drawee did not part with the money upon the faith of the apparent principalship. In one case it might be that the money was paid because of the belief of the drawee that the holder and presenter of the paper was the actual and responsible owner of it. In another case it might be paid with total indifference to this fact. In the one instance, therefore, the plaintiff would have a right to rely for a recovery upon the ownership, real or apparent, of the person presenting the bill or check ; while in the other, since the payment was in no wise made upon faith or reliance in the apparent state of facts, the defense that the payee was, in truth, but an agent and had parted with the money to his principal, would and should be permitted to avail.

In this case the finding of the court, as above quoted, is that the defendant "purported and represented itself to be the absolute owner of said check. * * *" and that plaintiff "had no notice nor knowledge that the check was presented by the defendant otherwise than as owner and as principal."

The only support which this finding receives comes from the uncontradicted facts touching the method of the presentation and payment of the check. It already has been stated that the check was presented in regular manner through the clearing-house, of which institution both plaintiff and defendant were members. The constitution and rules of the clearing-house, which were strictly followed by defendant, here become important for consideration. Section 2, art. 15, and sections 1, 2 and 3, article 17, of the constitution are as follows:

"Art. 15. Sec. 2. Errors in the exchanges and claims arising from the return of checks, or from any other cause, are not to be adjusted through the clearing-house, but directly between the members who are the parties to them; all checks, drafts, notes, or other items in the exchanges, found not good, or missent, shall be returned without intentional mutilation or notice of dishonor given directly to the member from whom they were received, as soon as examined, or presented not later than two hours on ordinary days, or three hours on collection day, from the hour set for the clearance in which said returned vouchers were exchanged, and the said member shall immediately refund to the bank returning the same the amount for which it had received credit through the clearing-house for the said checks, drafts, notes or other items so returned to it; in case of the refusal or inability of any member to promptly refund to the bank presenting such checks, drafts or other items so returned, the bank holding them may report to the manager of the clearing-house the amount of the same, and it shall be the manager's duty, with the approval of the clearing-house committee, to take from the settling sheet of both members the amount of such checks, drafts, or other items so reported, and to readjust the clearing-house statement, and declare the correct balances in conformity with the changes so made, provided that such report of default shall be given to the manager before the hour set for payment by him of the credit balances resulting from that day's exchanges.

Art. 17. Section 1. All negotiable paper originally made payable to the order of any bank in this association and deposited for clearance shall be officially indorsed in writing by such original payee.

Sec. 2. All negotiable paper deposited for clearance by the members of this association shall bear the stamp of the depositing bank, which shall clearly indicate the name of the bank, its clearing-house number and the date of clearance. The stamp shall be for clearing house purposes only, and shall guarantee the validity and regularity of all prior indorsements on the paper so cleared, except the indorsement of an original payee of a certificate of deposit, and it shall not be construed to supply a missing indorsement.

Sec. 3. Each bank shall file with every other member of this association a certified impression of its clearing-house stamp and certification stamp, and the signature of persons authorized to certify and indorse checks."

The check in question bore the defendant's clearing-house stamp in these words: "Pay only through clearing-house. Dec. 17, 1895. 16. The Nevada Bank of San Francisco." With this stamp upon its back, it was passed with other checks into the clearing-house, and was paid by plaintiff. Admittedly the only representation of ownership of any kind whatsoever to support this finding is found in this stamped indorsement, coupled with the presentation through the clearing-house. The plaintiff does not even plead that the defendant was the "owner" of the check, but pleads merely that he was the "holder." The distinction is, or may be, important. One may be the holder of a check, and not the owner, and, under the rule which construes a pleading most strongly against the pleader, it might well be held upon the very averment of the complaint that plaintiff knew that defendant was not the owner. "The term holder is properly applied to the person having possession of the paper and making the demand, whether in his own right or as an agent for another." (Bowling vs. Harrison, 6 How. 258, 12 L. Ed. 425.) "Holder is a word of the same import as bearer." (Putnam vs. Crymes, 36 Am. Dec. 250.) "Holder is a general word applied to any one in actual or constructive possession of the bill, and entitled at law to recover or receive its contents from the parties to it." (Byles, Bills, p. *2.) Moreover, it may be noted that there is no averment in the complaint that the plaintiff paid upon the belief that defendant was such owner, but the explicit statement is that it paid in the belief that the check was genuine, and not fraudulently altered, "and without such belief plaintiff would not have paid such sum or any part thereof."

But, passing this as being at least persuasive against the finding of the court that the defendant represented itself to be the owner, and that plaintiff paid only upon that representation, we come to consider the effect of the stamped indorsement which the Nevada Bank placed upon the check. Indorsements are either general or restrictive, and the effect of a general indorsement is well established in mercantile law. The indorser warrants to every subsequent holder thereof not liable to him that the paper is in all respects what it purports to be, that he has good title to it, that the signatures of all prior parties are binding upon them, and that, if the instrument be dishonored, he will, unless himself exonerated, pay upon due notice given. (Civ. Code, § 3116.) "A special indorsement is one which specifies the indorsee, and may by express words to that purpose, but not otherwise, be so made as to render the instrument not negotiable." (Sections 3113, 3115.)

But, while this is the ordinary effect of a general indorsement in the commercial world, it is perfectly competent for banks associated together to bind themselves by rules governing, as between themselves, the effect of their indorsements, and these rules as to them will supplant the law. It will be noted in the sections of the constitution of the clearing-house above quoted that all negotiable paper originally made payable to the order of any bank belonging to the association and deposited for clearance shall be officially indorsed in writing by such original payee, while all other negotiable paper deposited for clearance by members of the association shall bear merely "the stamp of the depositing bank, which shall clearly indicate the name of the bank, its clearing-house number, and the date of clearance. The stamp shall be for clearing-house purposes only, and shall guarantee the validity and regularity of all prior indorsements on the paper so cleared, except the indorsement of an original payee of a certificate of deposit, and it shall not be construed to supply a missing indorsement." Here, then, is an express limitation of the effect of such indorsement as this check bore. It eliminates, amongst other things, from the warranty of indorsement, the Code provision that the instrument "is in all respects what it purports to be."

In short, it would seem as though the framers of the constitution of the clearing house, with deliberation, followed the decision of this court in Redington vs. Woods, 45 Cal. 428, 13 Am. Rep. 190, where it is said: "But the indorsement of the holder receiving payment can have, at most, no greater legal significance than this. It implies, at best, only an undertaking that he has a valid title to the bill or check, and consequently a right to receive payment—an implication which the law raises without the indorsement. But the indorsement, *proprio vigore*, imposes upon him no other or greater liability to refund money paid upon an altered check than would attach to him without the indorsement. In other words, the indorsement, does not, of itself, import an undertaking that the check has not been altered; and in proceedings to recover back the amount paid on an altered check the indorsement could not be made the foundation of the action, as importing a promise to refund the money, in case it should afterwards appear that the amount in the body of the check had been fraudulently altered."

The members of the clearing-house, by their constitution, have brought themselves strictly within this language from the Redington case. Moreover, it is at once apparent that under the constitution of the clearing-house such an indorsement is not only limited and special, so as to destroy the negotiability of the instrument, but that the rules were designedly drawn to effect this purpose. It is provided that "the stamp shall be for clearing-house purposes only." The indorsement itself is to the effect that the check shall be paid only through the clearing-house, which means, of course, to the clearing-house. This method of payment is established by the rules. It amounts merely to a system of set-offs and cancellations, whereby accounts are settled between members without the actual transfer of unnecessary funds. From any aspect of this indorsement, therefore, it was not sufficient to charge the defendant with being anything other than the plaintiff pleads it was—"the holder of the check"; and certainly the indorsement contained and conveyed no "representation" whatsoever to the plaintiff that the defendant claimed or asserted itself to be the owner of the check. Common knowledge and common experience inform us that in the case of local checks such as this it is the uniform, if not the well-nigh universal, practice for banks to take them from their depositors and clients for collection only. They do not "buy" them. They take them as agents. And, if this common knowledge needed re-enforcement, it is abundantly furnished by the evidence of the officers of the banks testifying in this case to the effect that at least, if it was not the uniform practice never to buy local checks, it was certainly the general practice to take them only for purposes of collection. Therefore, so far as this check so deposited and so presented to plaintiff is concerned, the knowledge that it conveyed was at least the knowledge that in this transaction, as in thousands of others, the Nevada Bank was probably the collecting agent merely. It will not be assumed, against the uniform practice of banks in this regard, and in the absence of any evidence at all upon the subject, that the plaintiff here, and in this sole and peculiar instance, put reliance upon the supposed ownership of the check by defendant. If, indeed, it did have such belief, then the complete answer is that the restricted indorsement did not justify nor warrant it in that belief, nor make the defendant liable because such belief was entertained.

But there is not only no evidence to support the finding that the Nevada Bank represented itself to be the owner, but there is positive evidence in addition to that already pointed out to show that plaintiff bank before payment of its check knew, or at least believed, that the Nevada Bank was acting as collecting agent for Dean. This evidence is found in the testimony of Mr.

Kline, plaintiff's Cashier. Mr. Kline, after stating that he looked over the checks coming through the Nevada Bank, and saw and read the particular check in question, within the time allowed by the clearing-house rules for its rejection and return, testifies: "Q. What is it you did not notice at the time? A. To whom it was payable. I merely knew it was a check of some client of the Nevada Bank, and presented for cash in that manner. Q. How did you know it was a client of the Nevada Bank? A. Because of its coming in the envelope of the Nevada Bank."

It is insisted, however, by respondent that the judgment in its favor is to be supported upon other grounds than that of appellant's liability as an indorser, and that the finding in question derives support from the fact that the appellant presented the check for payment. It is to be remembered that the only representations which the Nevada Bank made were those which follow in law from the mere fact of the delivery of the check to the clearing-house for clearance; but it is said that the presentation of the check was a representation of the genuineness of the signatures, of the title of the presenter, and that the check was in all respects what it purported to be; in short, that the presentation, with or without indorsement, was a representation of everything which the law declares to be warranted by a general indorsement.

In support of this proposition are cited some cases. Thus, in Merchants' Bank vs. McEntyre, 2 Sandf. 431, where the forgery was of the signature of a prior indorser, it is said: "We hold it to be a principle of universal application that, where one presents a draft or check to a bank for payment, it is a representation of the genuineness of the signatures appearing upon it; and except where the drawer's signature is forged, or there is some other peculiar reason for taking the case out of the rule, the party so presenting the draft will be held responsible to the drawee for the authenticity of such signature."

In White vs. Continental, 64 N. Y. 316, 21 Am. Rep. 612, it is said: "The presentation of the bill, and the demand and receipt of the money thereon, was equivalent to an indorsement."

In Leather Manufacturers' National Bank vs. Merchants' Bank, 128 U. S. 26, it is said: "One who by presenting forged paper to a bank procures the payment of the amount thereof to him, even if he makes no express warranty, in law represents that the paper is genuine, and, if the payment is made in ignorance of the forgery, is liable to an action by the bank to recover back the money which in equity and good conscience has never ceased to be its property." The principle upon which these cases are decided is either, first, that the presentation is the equivalent of a general indorsement under which all of these things are warranted; or, second, that the presentation upon the one hand, and the reception and payment of money upon the other, amount to a sale and purchase, and, the consideration for the sale having failed, a recovery back may be had. The cases above cited bear upon the first theory. Upon the second it is sufficient to quote from the United States Circuit Court, where Judge Wallace says: "Upon principle, where the holder of a note presents it at the bank at which it is made payable, receives the money, and surrenders the paper, the transaction is, in effect, a purchase from the holder." (Riverside Bank vs. First National Bank, 74 Fed. 276, 20 C. C. A. 181.)

But in the present case the application of neither of these theories will aid in the support of the finding in question. As to the first, it is clear that mere presentation will not operate to enlarge a special and restricted indorsement into the general indorsement contemplated by section 3116 of the Civil Code. It would be preposterous to say that one who had carefully restricted his liability by special indorsement should by the mere presentation of the check have his situation changed to that of a general indorser. The principle, therefore, is not applicable to the case of a special indorsement, and in the case of a general indorsement it is quite unnecessary in this State to invoke it, since the matter is fully covered by the section of our Code above referred to.

Upon the second theory, that the presentation and payment amount to a sale with warranty by the seller, whatever may be the rule as to such warranties in other States, in this State, where the warranties are those, and those only, fixed by our Code, the principle is at variance with these provisions, and therefore cannot apply. Section 1764 of the Civil Code provides that, "except as prescribed in this article, a mere contract of sale or agreement to sell does not imply a warranty." Section 1774 declares: "One who sells or agrees to sell an instrument purporting to bind any one to the performance of an act thereby warrants that he has no knowledge of any facts which tend to prove it worthless, such as the insolvency of any of the parties thereto, where that is material, the extinction of its obligations, or its invalidity for any cause." These Code provisions were under consideration in Sutro vs. Rhodes, 92 Cal. 117, where it is held that, if an invalid negotiable instrument, such as overissued bonds, be presented for sale, both parties being equally innocent, the purchaser cannot recover back his money. The distinction, then, is that in the other States the sale carries a warranty of genuineness; in this State the sale carries merely a warranty that the seller has no knowledge of defects.

It is concluded upon this branch of the case, therefore, that the finding is without support from the evidence. It may be added that the plaintiff nowhere pleads reliance upon any representations made by defendant, but pleads merely its own belief in the genuineness of the instrument. The finding, therefore, is without the issues joined. As was said in Goings vs. White, 33 Ind. 126: "There is no averment that the plaintiff relied upon the representations of the defendant. The want of such averment cannot be supplied by a recital of evidence which might justify a presumption that the representations were relied upon, unless such evidence be conclusive of the fact."

For the foregoing reasons, the judgment and order are reversed, and the cause is remanded.

PROMISSORY NOTE—EXTENSION OF TIME—DISCHARGE OF SURETY.

Supreme Court of California, June 20, 1903.

DANERI VS. GAZZOLA, *et al.*

Where, without the consent of a surety, the time for the payment of a promissory note is extended for a definite time by a binding agreement between the holder and the principal debtor, the surety is discharged from liability thereon.

Where the payee of a note agrees to accept one of the makers as a surety, he can be held liable only as such, although upon the instrument he appears as principal.

This was an action upon a promissory note for $3,000. Two of the defendants, Giacomo Gazzola and Giacomo Canova, set up as a defense that the payee loaned the $3,000 to, and the same was wholly received by, defendant John B. Gazzola; that they signed the note merely as sureties for John B. Gazzola—and that the payee accepted the note on the understanding that these defendants were sureties, and defendant John B. Gazzola the principal; that in August, 1899, after this action was commenced by John Daneri, the defendant John B. Gazzola offered to pay to him the full amount due upon the note, and that Daneri then declared that he did not need the money, and in consideration of the sum of $280 interest then paid by John B. Gazzola and in consideration that the interest should be kept paid as it matured, John Daneri then agreed to dismiss the action and extend the time of payment for one year; that the $280 was then and there paid, and the one year's extension of time on the principal given; that the extension of time was made without the knowledge, consent, or connivance of the defendants Giacomo Gazzola and Giacomo Canova.

The court sustained plaintiff's demurrer to this part of the answer, upon the ground that such part did not state facts sufficient to constitute any defense to the cause of action set forth in the complaint. Defendants declined to amend.

COOPER, *C.* (omitting part of the opinion): Of course, the facts must be conceded to be true as alleged for the purposes of the demurrer. The agreement extending the time for one year exonerated the sureties, and the court erred in sustaining the demurrer. The allegations of the answer showed defendants to be sureties on the note. (Civ. Code, § 2832.) They signed it at the request and for the benefit of John B. Gazzola. John Daneri knew that they were sureties, and accepted the note with that understanding.

It is provided in Civ. Code, §§ 2839, 2840, that a surety is exonerated by a performance, or an offer to perform, the principal obligation, and that he may be exonerated in like manner as a guarantor. By section 2819 of the same Code, it is provided that the guarantor is exonerated if the creditor, without the guarantor's consent, and of his own volition, does any act by which the original obligation is altered in any respect, or the remedies or rights of the creditor against the principal in respect thereto is in any way impaired or suspended.

The surety is bound only by the terms of his contract, and if these are varied without his consent it is no longer his contract, and he is not bound by it. The authorities are to the effect that if the time of payment is, without the consent of the surety, extended for a definite period by a binding agreement between the creditor and the principal, the surety is discharged. (Brandt on Suretyship and Guaranty, § 296, and cases cited.)

The rule was adopted by this court in Gross vs. Parrott, 16 Cal. 143, in which case it was said: "The effect of the subsequent transactions between the plaintiff and Page, Bacon & Co. was to extend the time of payment, and, of course, to release the defendant, who was a mere surety." (See, further, Steele vs. Boyd, 29 A. M. Dec. 219, and notes; the Bank of Albion vs. Burns *et al.* 46 N. Y. 171; Huffman vs. Hurlbert, 13 Wend. 375.) In the case at bar the agreement to extend the time was executed. And the tender or offer to pay the note by the principal released the sureties. (Civic Code, § 2839; Curiac vs. Packard, 29 Cal. 194; Hayes vs. Josephi, 26 Cal. 535; Brandt on Suretyship and Guaranty, § 295.)

It was said in Curiac vs. Packard: "The full amount due for principal, interest, and costs of suit was subsequently tendered in lawful money by Abadie Bros. to the plaintiff, and he had an opportunity to receive his money from the principals in the bond. His refusal to accept it was a breach of good faith toward the sureties, and their interests were imperiled by the wrongful acts of plaintiff. * * * The contract of suretyship becomes extinct or discharged by a lawful tender made by the principal or his authorized agent to the creditor or his authorized agent."

If it be true that John B. Gazzola offered to pay John Daneri the full amount due on the note, and that said Daneri stated that he did not want the money and declined to take it, but granted the said Gazzola an extension of one year without the consent of the sureties, they became released from the contract of suretyship. It is contended by respondent that the defendants, other than John B. Gazzola, were in fact principals and not sureties on the note. That would be true upon the face of the note, and in the absence of any agreement or understanding to the contrary. But in the part of the answer to which the demurrer was sustained it is not only alleged that John Daneri knew these defendants to be sureties, but that he "accepted the note on that understanding and none other." The authorities cited by respondent do not show that under such circumstances sureties would be regarded as principals. In fact they sustain the views herein expressed. In Harlan vs. Ely, 55 Cal. 342, it is said, in speaking of the payees of a joint and several note as to a maker who claimed to be a surety only, "If they had agreed to take him as surety, they could only have held him as such, although he appeared as principal upon the written instrument."

REFUSAL TO PAY CHECK THROUGH MISTAKE—WHEN DAMAGES RECOVERABLE.

Supreme Court of New York, Appellate Division, First Department, July, 1903.

THE T. B. CLARK COMPANY vs. THE MOUNT MORRIS BANK.

Where a depositor sues in tort for the wrongful refusal of the bank to pay his checks, and it appears that such refusal was through mistake, he must allege and prove special damages, or he can recover only nominal damages.

The action was brought to recover damages claimed to have been sustained by the plaintiff because of the defendant's failure to pay on presentation a check for $57.38 and a note for $116.42, although upon both occasions the plaintiff had to its credit sufficient funds for that purpose. In the case of the note, the complaint alleged that it was presented and dishonored upon two occasions, but no proof of any second presentation or dishonor was made upon the trial. The complaint then alleged that these acts "were occasioned by the gross negligence and mismanagement of the defendant and its willful wrongful acts as above set forth, and through no fault or wrongdoing of this plaintiff, but whereby the plaintiff has sustained grievous loss and damage to its credit and business standing, to plaintiff's damage $10,000."

It was admitted in the answer and on the trial that the defendant had neglected and refused to pay the check and note, although the plaintiff had sufficient funds for that purpose in the bank; but it was also averred and shown that the failure to pay the check and the note was the result of a bookkeeper's mistake, it appearing that the regular bookkeeper was sick and that a new bookkeeper, who was put in his place and was not familiar with the accounts, was responsible for the error. It further appeared that the defendant, upon its attention being called to the mistakes, rectified them so far as practicable by paying the check and note and writing letters of explanation, when the errors were discovered, to the holders of the check and the note. The plaintiff's witness testified that he told the Vice-President of the bank that the first letter of explanation sent was satisfactory and that when the plaintiff learned of the second mistake he asked for "the same class of letter to be written," which was done. These letters and the check and note are in evidence, and therefrom it appears that the check was dated March 3, 1900, and that the letter of the bank referring to it and dated March 12, 1900, states that the check was returned on the 7th inst. and the error on the books which caused its return had been adjusted. The note was dated December 15, 1899, for three months, due March 15, 1900; and the letter relating to it is dated March 24, 1900, directed to Chicago, Illinois, and states that the note due March 15 was returned through a bookkeeper's error.

At the close of the plaintiff's case the court directed a verdict for six cents damages.

O'Brien, *J.:* The single question presented upon this appeal is whether or not the plaintiff, upon the proof, can recover substantial damages. The appellant insists that when a depositor in a bank with sufficient funds draws checks or notes on such bank, which are refused payment on the ground that the depositor has no funds, the depositor, in an action brought against the bank, is not limited to the actual pecuniary damage alleged and proved, but in addition is entitled to recover general or substantial damages.

Here the plaintiff neither alleged nor proved any special damage, but insists that it is entitled to general damages upon the ground that this is in effect an action for slander of plaintiff's financial credit, and that the conduct of the defendant, as proved, is equivalent to proof "that the defendant on several occasions, and to several people, willfully and maliciously spoke of and concerning the plaintiff the false and defamatory words as follows: "He draws checks on a bank when he has not sufficient funds to meet them." The insistence is that these words are slanderous *per se*, and, as the charges were admittedly false, malice will be presumed, and the plaintiff is therefore entitled to recover substantial damages.

Apart from the question as to whether a corporation can commit slander (Odgers on Libel and Slander, 368), and conceding that there is some similarity between actions for slander and actions against a bank for wrongfully refusing payment of a check or note, the actions are not the same; and as the character of an action such as this has been frequently defined and discussed, it is safer to follow the decisions rather than to enter a new field of inquiry. In Burroughs vs. Tradesmen's Bank (87 Hun, 6) it is said: "The contract which the law implies between a bank and its depositor is that the bank will hold the funds and pay them out according to the order of the depositor. A failure in the performance of the duty which the law thus imposes upon the bank constitutes a breach of the contract which the law implies and renders the bank legally liable either in tort or upon contract." At the trial, on defendant's motion, the plaintiff elected to treat this action "as one in tort and not upon contract, and as founded upon malice, and not upon negligence."

As to the distinction to be observed as to the rule of damages between an action brought for the breach of a contract and one founded upon tort, we need add nothing to what was said by this court in Davis vs. The Standard Bank (50 App. Div. 210), where the subject is fully discussed and the authorities collated. Therein the awarding of general damages was sustained, but it was because the bank intentionally, and with full knowledge of what it was doing, dishonored its depositor's checks, and in the opinion of this court it was said: "Whenever the wrongful act was done intentionally, without just cause or excuse, a legal inference of malice arises therefrom."

It is the presence of malice express or implied which in such cases determines the damages that may be awarded; and it is only therefore where it appears that the bank in refusing payment of checks acts willfully, without just cause or excuse, or with improper motives, that legal malice will be implied. This subject of legal malice will be found treated at some length in the American and English Encyclopædia of Law, 2d ed., vol. 19, p. 623, and also in the first edition, vol. 14, p. 8.

Without passing upon the question of whether the allegations of the complaint are sufficient to charge the defendant with legal malice, it is sufficient to say that upon the proof, it appearing beyond dispute that the failure of the bank to pay the note and check was not intentional, but was due to a mistake, there was no evidence from which legal malice could be implied; and, therefore, a basis for an award of general damages is wanting. A mistake which is excusable cannot constitute legal malice, for the element of conscious wrongdoing, or recklessness, or gross carelessness, is absent. There was no attempt to disprove the explanation offered by the bank to plaintiff's officers that the occurrence was due to a mistake of a new bookkeeper; and it would appear that the plaintiff accepted that explanation as true, as did the court in disposing of the case. The letters, moreover, tended to support, if support were necessary, the view that the failure to pay plaintiff's paper was inadvertent, and not intentional, and that as soon as the mistakes were called to the attention of the bank, it did what it could to remedy them.

We have not overlooked the allegation of the complaint wherein it is averred that after the dishonor of the note the defendant was informed thereof, "and the defendant then and there begged the plaintiff to overlook the occurrence and requested that the note be again presented. Thereupon plaintiff caused the said note to be again presented, and again payment was refused, and said plaintiff's note thrown out, protested and dishonored." Had this allegation been supported by proof, a different question would arise as to the right of the plaintiff to recover substantial damages. The record, however, fails to disclose any such proof, and the inferences fairly to be drawn from the entire case are that the bank, through mistake, refused to pay both the note and the check, and that when its attention was called to the two mistakes it at once undertook to remedy the errors so far as it was practicable to do so by sending the letters of explanation to which we have referred.

Upon the question of damages, therefore, we can briefly summarize the subject by saying that, as the plaintiff neither alleged nor proved any special damage, and as the evidence did not show that the defendant was guilty of legal malice, the court was right in restricting the recovery to nominal damages. It accordingly follows that the judgment and order appealed from must be affirmed, with costs.

Van Brunt, *P.J.;* Ingraham and McLaughlin, *J.J.*, concur.

COLLATERALS—ATTEMPT TO HOLD FOR DEBT NOT SECURED THEREBY IS A CONVERSION.

Supreme Court of Tennessee, May 11, 1903.

MEMPHIS CITY BANK vs. SMITH.

Where a bank attempts to hold collaterals as security for debts for which they have not been pledged, and refuses to deliver the same except upon the payment of such other debts, such refusal constitutes a conversion.

The declaration alleged in substance, that the defendant below (plaintiff in error on appeal) had converted certain property belonging to the plaintiffs below, consisting of the following, viz.: Many lists, files, maps, plats, and books of reference, containing an abstract or history of all real estate titles, tax liens, and judgments in Shelby county, from which were prepared and sold abstracts of title to the public, and from which the plaintiff derived great gains and profits; also 370 shares of stock, being the entire capital stock in a Tennessee corporation known as the Memphis & Shelby County Abstract Company; that the value of the property so converted was $50,000; and that the plaintiffs, waiving the tort, were entitled to recover of the defendant, as upon an implied assumpsit, the aforesaid value. There was a verdict in the court below for $23,875.40, on which judgment was rendered. The plaintiff in error appealed.

The court below charged, among other things, as follows: "The court charges you that if you find from the evidence that W. J. Smith went to the defendant bank prior to March 13, 1897, for the purpose of ascertaining the exact amount necessary to redeem the collaterals set forth and described in the declaration, and prepared to then pay such indebtedness and redeem said collaterals, and the bank declined to consider his offer unless he would not only pay the sum for which the said collaterals were pledged, but would also pay the individual debts of L. B. Eaton, for which said collaterals were not pledged, and declined to release said collaterals unless the unindorsed notes of L. B. Eaton were also paid, then the court charges you that this was, in law, a conversion of said collaterals by the bank, and entitled the owners of the collaterals, at their election, to sue for the value of the same."

NEIL, *J.* (omitting part of the opinion): When the whole charge upon the special subject under examination is considered together, it is perceived that the alteration which the plaintiff in error now complains of, in the matter which its counsel had formulated for use by the circuit judge in the preparation of his charge, could not have been misunderstood by the jury, and was in harmony with the general trend of the charge upon that subject. It is also perceived that all the instructions, as given to the jury upon the subject, were based upon evidence in the record, which had been submitted to the jury. So the real question is whether the whole instruction given to the jury upon this subject was correct. This in turn resolves itself into the question whether, under the facts assumed or indicated, the defendant below would be guilty of conversion. We think it would be. The assertion of a right to hold the property as security for debts for which it had not been pledged, and the refusal to deliver it up except upon the payment of those debts, was an unwarrantable assumption of authority over the property of defendants in error, and amounted to a conversion. (Gillet vs. Bank of America, 160 N. Y. 549-559; Adams vs. Clark, 9 Cush. 217.)

PROMISSORY NOTES GIVEN IN PAYMENT FOR PATENT RIGHTS—STATE STATUTE REQUIRING CONSIDERATION TO BE STATED IN INSTRUMENT.

United States Circuit Court, E. D. Pennsylvania, May 25, 1903.

PEGRAM vs. AMERICAN ALKALI CO.

A State statute requiring that promissory notes given in payment for a patent right shall have the nature of the consideration stated on the face thereof is unconstitutional, being obstructive to the exercise of a right conferred by a law of the United States.*

This action was brought upon two promissory notes, one for $20,000 and the other for $30,000, both of which were renewals of certain drafts that had been given in payment for patent rights. One of the defenses was that the notes were void because neither they nor any of the drafts had the words "given for a patent right" written or printed on their face, as required by the statute of Pennsylvania. Such statute is as follows:

"An act to regulate the execution and transfer of notes given for patent rights.

Section 1. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same, that whenever any promissory note or other negotiable instrument shall be given, consideration for which shall consist in whole or in part of the right to make, use, or vend any patent invention or inventions, claimed to be patented, the words, 'given for a patent right,' shall be prominently and legibly written or printed on the face of such note or instrument, above the signature thereto; and such note or instrument, in the hands of any purchaser or holder shall be subject to the same defenses as in the hands of the original owner or holder.

Sec. 2. If any person shall take, sell, or transfer any promissory note or other negotiable instrument, not having the words 'given for a patent right,' written or printed legibly and prominently on the face of such note or instrument above the signature thereto, knowing the consideration of such note or instrument to consist in whole or in part of the right to make, use, or vend any patent invention or inventions claimed to be patented, every such person or persons shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be fined in any sum not exceeding $500, or imprisoned in the county jail not exceeding sixty days, or both, in the discretion of the court.

Sec. 3. All acts or parts of acts inconsistent herewith are hereby repealed." (P. L. 1872, pp. 60, 61.)

DALLAS, *C.J.* (omitting part of the opinion): Plaintiff's counsel has submitted the proposition that "the act of April 12, 1872, entitled 'An act to regulate the execution and transfer of notes given for patent rights,' is unconstitutional, because it is in derogation of the rights of holders of letters patent issued by the United States to freely sell the same and take payment therefor in negotiable paper, and is an unjust and unauthorized discrimination against them, imposing a restriction upom them not imposed upon vendors of other property." The decisions of the State courts are not harmoni-

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* The contrary has been held in the following cases: Herdic vs. Roessler, 109 N.Y. 127; Tod vs. Wick, 36 Ohio St. 370; Haskell vs. Jones, 86 Pa. St. 173; Shires vs. Commonwealth, 120 Pa. St. 368; Breckhill vs. Randall, 102 Ind. 528; New vs. Walker, 108 Ind. 365.

ous upon the subject of this proposition, but those of the Federal courts seem clearly to support it. In Woollen vs. Banker, 2 Flip. 33, Fed. Cas. No. 18,030, Mr. Justice Swayne at circuit, held a similar statute of the State of Ohio to be unconstitutional, and that decision cannot be said to have been overruled in Patterson vs. Kentucky, 97 U. S. 501. Although Mr. Justice Swayne appears to have concurred in the judgment in the latter case, no reference was there made to his ruling of the immediately preceding year in Woollen vs. Banker, and in fact the two cases are not conflicting. Patterson vs. Kentucky concerned only "the right of property in the physical substance, which is the fruit of the discovery," and it was with this respect to this "physical substance" that it was held that enforcement of the State statute interfered with no right conferred by the letters patent, and this upon the ground that "it is not to be supposed that Congress intended to authorize or regulate the sale, within a State, of tangible personal property which that State declares to be unfit and unsafe for use." The significance of the distinction here indicated is apparent. A patent secures to the patentee the right to debar others from making the thing patented, but it does not confer upon him the right to make it. That he could do (though not exclusively) without a patent. Consequently, his right of property in the patented article, when made, is not founded on Government grant, and may as legitimately be subjected to State legislation as any other tangible property. But the monopoly which a patent does grant is a property right created under the Constitution and laws of the United States, and by those laws made assignable; and therefore a State law which prescribes that negotiable instruments, in the ordinary form, shall not be given or accepted for an assignment of the patent itself, is as plainly obstructive of the exercise of a right vested by Federal law as would be the inhibition of payment in the current funds upon the sale of a patent for cash.

The limited scope of the judgment in Patterson vs. Kentucky was pointed out by the Circuit Court for the District of Indiana in the case of Castle vs. Hutchinson (C. C.) 25 Fed. 394, in which a State statute like that now in question was held to be clearly unconstitutional; and, in Reeves vs. Corning (C. C.) 51 Fed. 787, while the particular act there involved was upheld, it was said that the decision in Castle vs. Hutchinson "may well be supported on the ground of an unjust and unauthorized discrimination. It singles out notes given for patent rights from the common mass of such property, and requires them, to be valid, to show on their face the nature of their consideration. Such discrimination would seem to render the second section of the statute unconstitutional. If the section had required all notes to exhibit on their face the consideration for which they were given, a very different question would have been presented. In my opinion the case of Castle vs. Hutchinson is correctly decided; but it by no means is decisive of the question under consideration." I think that in view of these cases this court should decline to give effect to the Pennsylvania act of April 12, 1872, until its validity shall have been established by a tribunal whose adjudications are authoritative, and accordingly the defense founded upon that act is overruled.

It results from what has been said that the plaintiff is entitled to judgment for the full amount of the notes sued on, with interest thereon at the rate of six per cent. per annum, subject to any deductions which, under the evidence, independently of the Pennsylvania statute, should be allowed.

NOTE PAYABLE TO ORDER OF CASHIER—RIGHT OF BANK TO SUE ON.

Supreme Court of Michigan, July 8, 1903.

FIRST NATIONAL BANK OF HANCOCK vs. JOHNSON.

A bank may sue upon a note payable to the order of its Cashier, though not endorsed by him.*

This suit was brought to recover the amount of a note, upon which defendant was an accommodation maker. The court below directed a verdict for the plaintiff.

CARPENTER, *J.* (omitting part of the opinion): The note was payable "to the order of William Condon, Cashier, at First National Bank, Hancock, Michigan." It was never endorsed by Condon, though the evidence showed him to be plaintiff's Cashier, and that he acted in the transaction for the plaintiff. It is insisted that, under these circumstances, suit could not be maintained in plaintiff's name. This objection is fully answered by Garton vs. Union City National Bank, 34 Mich. 279.

NOTICE OF DEFENCES TO NEGOTIABLE INSTRUMENT—WHAT WILL CONSTITUTE.

Court of Appeals of Maryland, June 30, 1903.

VALLEY SAVINGS BANK OF MIDDLETOWN vs. MERCER, *et al.*

To constitute notice of an infirmity in the instrument or defect in the title of the 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.

This action was brought upon a promissory note executed by fourteen different persons as makers.

It appeared from the testimony that one Hanan, acting or pretending to act as agent for Delauder & Co., the payee of the note, undertook to sell a Spanish jack to certain residents of Frederick county for breeding purposes. The price of the animal was agreed to be fixed at $1,800. The evidence showed, and, indeed, it was conceded, the whole transaction was a fraud on the part of the agent of the vendors, whose plan was toget subscriptions from eighteen persons of $100 each to purchase the animal. He persuaded a Dr. Downey to subscribe in order that others might be induced to follow his example, and secretly gave him the money to pay his subscription. The defendants, with Downey, signed and delivered to Hanan, the agent or alleged agent of the vendors, three notes, each for $600, for the purchase money agreed to be paid for the jack, the note sued on in this case being the first of the series.

Having thus secured the execution of the three notes, Hanan applied to one of the directors of the plaintiff bank, to get his assistance in borrowing money on them. After some negotiation and examination into the financial standing of the makers of the note, the bank decided to make a loan of $1,600 to R. S. Delauder & Co., and take the three $600 notes as collateral security.

*The Negotiable Instruments Law provides: "Where an instrument is drawn or endorsed to a person as "cashier" or other fiscal officer of a bank or corporation, it is deemed *prima facie* to be payable to the bank or corporation of which he is such officer, and may be negotiated by either the indorsement of the bank or corporation, or the indorsement of the officer." (Section 72, New York Act.)

The proceeds of this loan were placed to the credit of Delauder & Co., and were subsequently checked out and used by them.

FOWLER, *J.* (omitting part of the opinion): First, then, in regard to the granting of the defendant's fourth prayer. In order to consider the question presented by this exception, we will have to refer to plaintiff's first prayer, which, as we have seen, was granted.

By this prayer the jury were instructed that if they find from the evidence that the defendants signed the note sued on, and that said note was indorsed by the payee, and delivered to the plaintiff for a valuable consideration, before said note became due and payable, and shall find that said plaintiff at the time it acquired said note had no notice of any fraud in the obtention of said note, or of any failure of consideration therein, then the plaintiff is entitled to recover the full amount of said note, less certain credits. The prayer thus concluded: "And there is no evidence in this case legally sufficient from which they can find that the plaintiff had any knowledge or notice of fraud, or want or failure of consideration in the making of said note."

The fourth prayer of the defendants, which was also granted, embodies in it the general and well-settled doctrine applicable to negotiable paper, that if there is fraud in the origin of the note the burden of proof is upon the holder to show that it came to him before maturity, in good faith, for value, and without notice of any infirmity or defect in the title of the persons who transferred it to him. But, in addition to the assertion of this general proposition, the jury are informed that "unless they believe from the evidence that said note was thus acquired by the plaintiff their verdict should be for the defendants."

It seems to us, in spite of the ingenious argument of the able counsel for the defendants to the contrary, that there is a direct and palpable conflict between these two instructions. By the first the jury are told that they cannot in this case find that the plaintiff had any knowledge or notice of fraud or failure of consideration in the making said note, while by the other they are permitted, if they will, to find from the same evidence that the plaintiff did not obtain the note in good faith. In other words, while they are told there is no legal evidence of knowledge or notice of fraud, they may yet find in point of fact that the note was not obtained in good faith. It is difficult, indeed, to understand how the holder of commercial paper can take it in good faith, without notice of defects in title, and without knowledge of fraud, and at the same time be in a position to have his good faith in the transaction questioned.

This is what the fourth prayer, in our opinion, allows the jury to do. It is most desirable, if possible, to free a practical question like this from fine distinctions, and we think the decisions of this court have shown a strong tendency in that direction. Thus, in the leading case of Totten vs. Busey, 57 Md. 446, the former learned Chief Justice of this court said: "The question is not what facts will or will not be sufficient to put the party on inquiry, but the question whether the party had knowledge of the infirmity of the note at the time of the transfer to him; or, in other words, whether he procured the note in good faith for valuable consideration." (Maitland vs. Bank, 40 Md. 568, 17 Am. Rep. 620; Bank vs. Hooper, 47 Md. 88; Williams vs. Huntington, 68 Md. 590, 601, 13 Atl. 336, 6 Am. St. Rep. 477.)

And so, in the case last cited, the present Chief Justice quotes the language of Judge Alvey with approval, and says: "The question is one of fraud or bad faith on the part of the taker of the note."

In Cheever vs. Pittsburg R. R. Co. 150 N. Y. 65-67, 44 N. E. 701, 34 L. R. A. 69, 55 Am. St. Rep. 646, it is said: "The rights of the holder are to be determined by the simple test of honesty and good faith, and not by a speculative issue as to his diligence or negligence." Equally clear, simple, and broad is the rule expressed in section 75 of article 13 (our negotiable instruments act [Poe's Supp. Code, Pub. Gen. Laws]), by which, of course, we must be governed. The notice that section provides, which will prevent a holder of a note from recovering, is "actual knowledge of the infirmity or defect, or knowledge of such facts that his action in taking the instrument amounted to bad faith."

PROMISSORY NOTE—VALUABLE CONSIDERATION—COLLATERAL SECURITY FOR ANTECEDENT DEBT.

Supreme Court of Nebraska, January 8, 1902.*

LASHMETT VS. PRALL.

One who takes a promissory note as collateral security for an existing indebtedness is deemed a holder for value.

This action was brought to set aside a conveyance of land, and subject same to a judgment in favor of one William Lashmett. As a defense the defendant Prall pleaded an indebtedness due to himself from Lashmett on a promissory note for $2,500. Lashmett in reply pleaded that Prall was not an innocent purchaser of such note.

AMES, *C.* (omitting part of the opinion): If Prall at the time the note was transferred to him had parted with a present consideration on the faith of it, he would have been protected by the familiar rules of the law merchant. But it is conceded that he accepted it as collateral security for an antecedent indebtedness.

We are not aware that this precise point has ever been before this court. The cases of Helmer vs. Commercial Bank, 28 Neb. 474, Koehler vs. Dodge, 31 Neb. 328, and Cropsey vs. Averill, 8 Neb. 152, were all instances in which the note was accepted as collateral security for an indebtedness then created, and are supported by the great weight of authority and reason. But in Martin vs. Johnson, 34 Neb. 797, it was held that one who accepted a negotiable note, without notice of defenses, in payment of an antecedent debt, was a *bona fide* holder for value, and precisely the same principles must apply to one who receives such an instrument as collateral security.

Such is also, we think, the weight of authority in this country and in England. (Colebrook on Collateral Securities, § 18 *et seq.*, and notes.) Prall is, therefore, entitled to be regarded as an innocent holder for value of the Sears Bros'. note to the extent of $2,005 and interest.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

STATUTE OF LIMITATIONS—SIMPLE CONTRACT DEBT—CONVERSION INTO SPECIALTY DEBT.

BANK OF MONTREAL VS. LINGHAM (5 Ontario Law Reports, p. 519).

STATEMENT OF FACTS: In March, 1884, the defendant, Lingham, made two notes in favor of the Bank of Montreal for $35,000 and $25,000

* Withheld from earlier publication by order of the court.

respectively. At that time he was also indebted to his father in the sum of $10,000 and had transferred certain lands to his father as security for the repayment of this sum. In June of that year the father and the defendant joined in a deed, to which the Bank of Montreal and its local Manager were the other parties, whereby these lands were conveyed to the local Manager as trustee with power to sell after notice in writing, and out of the proceeds first to pay the $10,000 due to the defendant's father and then to pay the Bank of Montreal. Before anything further was done the defendant repaid the amount due his father. In February, 1893, the bank served a written notice on the defendant that unless the sum of $124,044.10 was paid within one month the bank would proceed to sell the lands. In July, 1893, a deed was executed by the defendant, whereby, after reciting the trust deed of June 7, 1884, and the power of sale contained therein, and that, in order to avoid the expense of a sale, the defendant had agreed to execute a release, the defendant released to the bank all his interest in the said lands and procured all the heirs of his deceased father to join in this deed.

This action was brought upon two promissory notes and also upon the deed of June 7, 1884. The defendant set up that the claim was outlawed under the statute of limitations, and also that the deed of July, 1893, was an accord and satisfaction.

JUDGMENT (MACMAHON, *J.*): After disposing of the plea of accord and satisfaction as not being established by the evidence, the learned judge deals with the defence of the statute of limitations.

In Ontario a simple contract debt, such as that upon a promissory note, is outlawed after six years, while a specialty debt, such as that upon a covenant in a deed, is not outlawed until twenty years. The learned judge pointed out that the deed of June 7, 1884, while it did contain an ackowledgment by the defendant of the amount of his indebtedness to the bank and secured that indebtedness on the lands, did not contain a covenant to pay the amount admitted due.

The rule is laid down in Marryat vs. Marryat (28 Beavin p. 227): "The deed was executed not for the purpose of giving a security for the simple contract debt, which he admits to be due. It is to be observed that though you may infer the promise to pay from the recital, the promise to pay simply raises a mere assumpsit, unless the object of the deed is confined to that acknowledgment, but if the object of the deed is other than that, and merely collateral to it, then the recital amounts to nothing."

In a further case in L. R. 3 Ch. P. 228, Lord Cairns set out the principle as follows: "In the simple case of a debtor acknowledging a debt by a deed under seal, without any object declared by the deed, no doubt it must be assumed that, although no words of covenant are used, the debtor meant to be bound, or else why should he go through the form of executing a deed? But is the present a case of a party acknowledging a debt by deed under seal, with no other object but to acknowledge the debt? It is plain that he had another object. There was a clear antecedent liability in Harwood, arising out of his breach of trust. There was, therefore, no necessity for any acknowledgment, and if the desire of the parties was to fix a specialty obligation, they would have used unambiguous words for that purpose. I cannot doubt that the sole object of the deed was to give security for the debt and all the recitals appear to me not to be by way of covenant for payment of the debt, but a simple narrative leading up to the security, and to the form in which the security should be given. In addition to this, there is a conspicuous absence of an express covenant to pay the mortgage debt."

The case in hand comes within the principle laid down in the above decisions, and it must be held that the acknowledgment by the defendant by the recital in the trust deed of the debt due to the bank did not convert it into a specialty debt. Nor did the deed of July, 1893, have that effect, because the only object the bank had in procuring it and the defendant's only intention in executing it was, as stated in the recital, "in order to avoid the expense of sale." There was nothing in the defendant's act in executing the release from which an intention could be implied to pay the debt and so waive the statutory defence which at that time already existed.

BILL OF EXCHANGE—ACCOMMODATION MAKER—RENEWAL NOTE OBTAINED BY FRAUD—RIGHT TO SUE ON ORIGINAL NOTE—POWER TO AMEND.

MATHEWS & CO. vs. MARSH (5 Ontario Law Reports, p. 540).

STATEMENT OF FACTS: This was an appeal from the judgment in an action brought on a promissory note dated April 4, 1899, made by the defendant and one McDonald in favor of the plaintiffs, payable two months after date. It appears that the defendant had joined in the note purely for the accommodation of McDonald, his co-maker, and that the plaintiffs knew that he was a surety only. When the note came due McDonald desired to renew it, and a renewal note was prepared by the plaintiffs which McDonald took away and later brought back with the signatures to it which purported to be those of the defendant and himself. Thereupon the plaintiff gave up the original note stamped, "paid." McDonald died insolvent in July, 1900. The plaintiffs tried to get the amount of the note from his estate, but failing in this brought action against Marsh on the renewal note. At the trial Marsh swore he never signed the renewal note, which was the one sued on. There were two new trials and at the third trial the judge allowed the plaintiffs to amend their claim by adding in the alternative a claim upon the original note which Marsh admitted signing but which the plaintiffs had delivered up. In the result a verdict was given for the plaintiffs for the full amount of the original note, interest and costs. From this judgment the present appeal was taken on the grounds: (a) That the court had no jurisdiction to make the amendment; (b) that when the first note was given up to the maker the payee's right was gone and the note was a cancelled document; (c) that by taking a renewal note the plaintiffs had given time to the primary debtor to the surety's prejudice.

JUDGMENT (STREET, *J.*): The plaintiff's claim was within the jurisdiction of the division court and the fact that they claimed it as alternative to another claim which was also within the jurisdiction did not take it beyond the jurisdiction. There was also undoubted right in the judge below to make the amendment in the plaintiff's claim.

I have no grounds for interfering, on the facts, with the verdict of the jury. The defendant was admittedly liable originally to the plaintiffs upon the note of April 4, 1899. If the plaintiffs were induced by the fraud of McDonald to give him up that note in exchange for another upon which the defendant's signature was forged, the cases show that the plaintiff's remedy upon the original note remains in equity even though the note itself may have been cancelled and given up. I think also that the witness McConachie was entitled to look at the entries made by him in the books of the deceased McDonald in order to refresh his memory and that the entries in the books to which he referred were properly before the court.

The decisions also require us to hold that the renewal of the original note without the defendant's consent is no answer to the claim upon the original note where the renewal was obtained by fraud. The appeal must therefore be dismissed.

MUNICIPAL CORPORATIONS—LIMIT OF BORROWING POWERS—MEANING OF "ORDINARY EXPENDITURE"—SCHOOL RATES.

HOLMES vs. TOWN OF GODERICH (5 Ontario Law Reports, page 33).

STATEMENT OF FACTS: This was an appeal from the judgment given by ROBERTSON, *J.*, at the trial dismissing the plaintiff's action with costs. The plaintiff sued on behalf of himself and all other ratepayers of the town of Goderich to restrain the defendants from discounting or in any way dealing with the note or the proceeds of the same, for $2,000 then in the Bank of Montreal. The defendants were the Town Corporation, the Mayor and Treasurer, and the Bank of Montreal.

The ground relied upon by the plaintiff was that the town had no authority to borrow this money from the bank under sec. 435 of the municipal act, inasmuch as they had previously borrowed within some $400 of the eighty per cent. of the current levy for ordinary expenditure permitted by that section.

JUDGMENT: The judgment of the Divisional Court was delivered by STREET, *J.*

The borrowing can be supported, it seems to me, only under sec. 435 of the municipal act, if it is to be supported at all. A by-law was passed under that section on February 15, 1901, reciting that it was desirable and necessary to make provision for the borrowing of money for the current expenditure of the corporation until such time as the taxes levied therefor could be collected. The by-law then proceeds to empower the mayor and treasurer of the corporation to borrow $15,000 upon the notes of the corporation, countersigned by them.

On May 17, 1901, another by-law was passed amending this by-law by increasing the amount authorized to $22,000. A note for $2,500 under this by-law was made by the mayor and treasurer on December 10, 1901, and $2,000 was on that day advanced to them for the purpose of being paid into court as security upon the appeal in the then pending case of Holmes vs. Goderich. Including that note, the total amount then under discount with the bank under the by-laws above mentioned was $19,500.

The question of the right to borrow this sum turns upon the meaning to be given to the various portions of sec. 435 of the municipal act.

The general object with which that section was passed is sufficiently obvious. It is the duty of the council to make an estimate of the expenditure for the coming year, and to strike a rate and levy taxes to meet it; but the taxes cannot be immediately collected, and money is required from day to day after the year begins to meet daily demands provided for in the estimates. It is necessary that the corporation should have funds at once, and they are authorized to borrow for the purpose of meeting the demands upon them; but in order that they may be prevented from making use of this authority to a greater extent than that intended, the amount they are permitted to borrow and the period of the loan are strictly limited, with the plain intention that the amount borrowed shall be paid out of the taxes for the year in which it is borrowed, as they are collected.

I think it is plain that the intention of the section was to separate the amounts estimated for school purposes from the amounts estimated for other purposes, because the school funds are separately dealt with under the fourth sub-section. There is good reason for this separation: the municipal corporation merely collects and holds for the school corporations the taxes it levies at their request, and they should obviously be kept apart for school purposes and not be confused with the ordinary current expenditure.

Therefore, when the town corporation seeks to borrow money under the first and second sub-section of section 435 for the ordinary current expenditure of the municipality, it is limited to eighty per cent. upon the amount collected for taxes in the preceding year, exclusive of taxes collected for school purposes. When it seeks to borrow money for the purpose of paying it over to the school corporations, it must recite in the by-law that it is borrowing it for school purposes under section 4, and it can then borrow to the full amount of the estimates submitted by the school corporations.

The by-laws under which the defendants seek to justify the present borrowing recite that it is for "the current expenditure of the corporation." For the reasons I have given, I think this cannot include expenditure on account of school funds, and so in calculating the eighty per cent., which the corporation may properly borrow, the sums levied for school purposes must be omitted.

Now, the amounts estimated in 1900, exclusive of school rates for which taxes were levied, was $21,774.12 and eighty per cent. of this is $17,419.26. It is admitted that the amount under discount in the bank before this note in question was discounted was $17,000, and therefore $419.26 was the utmost sum which the corporation could borrow under the construction I have placed upon the provisions of section 435.

I think the borrowing was objectionable on another ground. By sub-sec. 3 of sec. 435, the powers conferred by the section "shall not be exercised except for the purpose of meeting the ordinary expenditure of the municipality." It is admitted that no provision was made in the estimates for the year 1901 for this sum of $2,000. An outlay which was not contemplated when the estimates were prepared, and for which no provision, either special or as a possible contingency, was made in the estimates for the year, cannot possibly be deemed part of the "ordinary expenditure" for the year, without disarranging the whole financial scheme provided for by the estimates. An exceptional case might, of course, occur when some contingency which had been provided for had been found to be unnecessary, but there is no suggestion of such a state of things here.

In my opinion, therefore, the corporation of the town and the mayor and treasurer exceeded their powers in borrowing the $2,000 in question.

BANK NOTES ARE LEGAL TENDER UNLESS OBJECTED TO AT THE TIME OF PRESENTMENT TO THE OBLIGEE.

STEWART vs. FREEMAN (New Brunswick Equity Reports, Vol. 5, p. 451).

STATEMENT OF FACTS: This was a bill brought for the enforcement of an agreement for sale, whereby the plaintiff on paying a final sum of $150, on or before October 6, 1901, was entitled to a conveyance to him of certain property. On October 3 the plaintiff tendered to the defendant the sum of $150, made up of bank notes which the defendant refused to accept, though he gave no reason at the time, but appeared anxious to back out of the agreement which he subsequently refused to carry out, defending this action upon, among others, the ground that the plaintiff had not made a tender of the sum due in such form as to amount to a legal tender.

JUDGMENT (BARKER, *J.*): It seems that on October 3 the defendant, who lives but a short distance from the plaintiff, was at the plaintiff's house. There is no doubt from the evidence that the plaintiff had the sum of $150 there for the purpose of paying it to the defendant; that he then and there produced it and then and there distinctly offered to pay the defendant the $150 as the balance due on the purchase in performance of the condition subject to which he was entitled to have a conveyance. Neither is there any doubt as to the defendant understanding at the time the purpose for which the money was being offered him.

It is said that this was not a legal tender because the money tendered was in bank notes, which are not by the Bank Act or other statutes declared to be legal tender. I cannot agree with this. I think it quite likely that there was not a legal-tender note among the $150 in bills produced at the time; but what difference does that make if the defendant did not object to them on that ground? They were bills which passed as money in the commercial world and of the kind used by every one in the discharge of legal obligations, and the defendant did not object to the kind of bills at that time.

Tender held good and judgment for specific performance of the agreement.

REPLIES TO LAW AND BANKING QUESTIONS.

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

A reasonable charge is made for Special Replies asked for by correspondents—to be sent promptly by mail.

Editor Bankers' Magazine: STANTON, Neb., Sept. 16, 1903.

SIR: A loans to B one thousand dollars on his promissory note. B fails to pay when note becomes due. A commences action to recover judgment and B is regularly served by summons, to which he pays no attention, neither answers nor demurs, and judgment is rendered against him for amount claimed. During the pendency of the action, B entered into voluntary bankruptcy, and was discharged before said judgment was decreed. Is the judgment valid against B? SUBSCRIBER.

Answer.—If the indebtedness upon which the action was brought was included in the bankrupt's schedules, then the decree of the bankruptcy court applies to it, and the indebtedness was discharged, notwithstanding the subsequent entry of judgment in the State court. That judgment is a nullity, for the State court has no jurisdiction to proceed in the case after the jurisdiction of the Federal court had attached.

NATIONAL BANK NOTES AS BANK RESERVES.*

The banking situation, especially in New York city, during the summer and autumn of 1902, and to a lesser extent during the spring of 1903, exhibits some features of the gravest interest. The banks were increasing their profit account heavily, and the general trade conditions were so prosperous and sound that a long-continued period of money stringency and high interest rates developed surprisingly few failures or evidence of financial and commercial weakness. Had not the situation been at bottom a healthy one, the imminent danger of a disastrous panic could hardly have been avoided, even by the most careful management of the men to whom the banking interests of the country are committed; a group of men whose genuine but enterprising conservatism and financial wisdom has perhaps never been excelled in any land or time. The main cause of the trouble that existed seems to be so close to the surface that the student of financial affairs can perhaps hardly fail to see it at a glance, and as the summer and autumn of 1903 promise to repeat the experience of 1902, it is well worth while to bear in mind the facts of the case, not only to handle the situation this year but to inquire what may be done to remove or to mitigate the causes which presage the same difficulties each recurrent year in the future.

Briefly stated, the immediate trouble seems to be due to the fact that the growth of the banking business has been so great that the specie and legal tenders which alone are available for banking reserves are no longer sufficient at all times to carry the unprecedented line of deposits in the banks, and it is well to bear in mind what is the origin of the greater part of the line of bank deposits. Taking the whole body of banks throughout the country, it is of course only elementary finance to say that bank deposits themselves are to a very large degree merely the product of bank loans. If a bank makes a loan of $100,000 that amount is at once *ipso facto* added to the deposits of that bank or some other, and when checked against the checks go into the deposits of some other bank, a very small proportion of the whole loans of the country being withdrawn in actual money but the great bulk of the general transactions being a simple shifting about from the deposits of one bank to another of the sum by which the general deposits have been increased by the loan passed to the borrower's credit. If, therefore, the general item of loans is increased in a given period by $10,000,000 one may look for an increase of general deposits of about the same sum, and this in its turn means an obligation to increase the legal-tender reserve which under the law the National banks are required to keep against deposits. And when a bank officer finds his deposits have so expanded, without a corresponding increase in the legal-tender money in his vaults, that his reserve is no longer sufficient, he must call loans in the hope of drawing legal-tender money from other

* The figures used throughout are those furnished by the United States Treasury reports, except those in Table A, which are compiled from the columns of the "N. Y. Financial Chronicle."

banks through his exchanges, and of course he naturally calls loans that he has made to those who are not depositors in his bank in the hope of keeping up his own deposit line at the expense of the banks upon whom his debtors draw their checks to repay him. So far as the individual bank is concerned that is a simple and effectual remedy, but when it is generally applied the effect becomes different. The borrower has no actual money to pay his loan with, he does it by check against deposits, so that a general movement to reduce loans means the reduction of the general deposits. The application of the principle is varied, of course, by the various expedients of shifting loans and money from one financial center to another in the effort of every bank to keep up its reserve without decreasing its deposit line, but sometimes we see a deliberate movement towards a general calling of loans for the simple purpose of decreasing deposits so that the lawful money reserve in hand, which there is little immediate hope of increasing, may have a lesser burden imposed upon it. The problem then is not where can more lawful money be had to carry deposits, but to reduce deposits so that the money in hand will be sufficient to carry them; and loans are called specifically to reduce deposits because out of deposits they must be paid.

This appears to have been the situation and the remedy applied in New York last year. In the early part of 1903 some uneasiness was created by the great expansion of loans shown by the weekly bank statements of the New York Clearing-House. Why? Because the corresponding expansion of deposits grew with the loans, putting a corresponding increased burden on the lawful money available for reserve, the proportion of which (not the actual amount) began to shrink towards the danger point. From the commercial standpoint the security that the banks have for their loans is the first consideration; but from the standpoint of the safe working of the strictly financial machinery, what makes trouble in a case of this kind is the amount of deposits—produced by increased loans—which the lawful money reserve, in hand or to be had, will not carry. A glance at the comparative bank statements of the New York Clearing-House for a brief period will make the situation fairly clear, although it would doubtless be much clearer if the figures were those of actual conditions on the dates given instead of being weekly averages. (See Table A, page 532.)

It will be seen that from July 12, 1902, to August 16, the reserve was fairly constant, increasing a little during several weeks by the temporary inflow of money which then began to go out again; but during the same period the loans expanded by about $12,400,000 and the deposits by about $18,000,000, so that the surplus reserve had fallen off more than $5,000,000. Loans the following week shrank some $10,500,000 and deposits about $12,000,000, and the same movements continued week by week until, by October 4, the loans were less than on August 16 by nearly $57,000,000, the deposits by $88,000,000 and the money reserve by $27,325,000; or, in other words, the New York banks, being obliged to send away some $27,000,000 in legal money, were under the necessity of still further contracting their deposits by about $60,000,000 by reducing their loans to that amount; otherwise, of course, the legal money they still held as reserve would have been many millions short of the legal requirement. It will be seen by reference to the table that much the same process went on in the early months of 1903. The "average" system obscures the matter to some extent, but it is fairly obvious notwithstanding.

Table A.—Weekly Averages of Loans, Deposits and Reserve of the New York Banks from July 12, 1902, to March 21, 1903.

(From the New York Clearing-House Statements as given in the "Financial Chronicle.")

	Loans.	*Net deposits.*	*Reserve.*	*Surplus.*
July 12, 1902	$906,776,200	$942,198,000	$247,776,400	$12,226,900
July 19, 1902	903,327,300	940,692,900	250,882,500	15,709,275
July 26, 1902	913,294,500	952,097,200	253,526,700	15,502,400
August 2, 1902	919,671,600	957,145,500	253,024,500	15,738,125
August 9, 1902	926,494,800	959,643,000	248,942,000	9,031,250
August 16, 1902	929,148,000	960,246,000	247,188,100	7,126,600
August 23, 1902	918,687,900	948,268,800	246,810,800	9,743,350
August 30, 1902	910,040,000	935,988,500	243,742,400	9,742,775
September 6, 1902	906,374,800	923,398,200	234,946,600	4,097,050
September 13, 1902	899,498,900	908,769,300	227,907,400	715,075
September 20, 1902	887,534,400	888,871,000	220,575,700	*1,642,050
September 27, 1902	874,181,800	876,519,100	222,366,400	3,236,625
October 4, 1902	872,303,700	872,176,000	219,863,200	1,819,200
October 11, 1902	874,647,900	872,340,600	219,612,500	1,527,350
October 18, 1902	865,450,800	863,125,800	221,389,700	5,608,250
October 25, 1902	870,977,600	882,685,300	238,452,800	17,781,475
November 1, 1902	878,509,700	893,791,200	244,786,900	21,339,100
November 8, 1902	875,480,600	885,882,200	221,470,550	17,852,350
November 15, 1902	870,424,200	878,219,400	237,883,200	18,328,350
November 22, 1902	868,217,200	875,706,100	238,456,500	19 529,975
November 29, 1902	879,826,000	883,836,800	236,745,500	15,786,300
December 6, 1902	881,437,000	879,762,600	229,914,400	9,973,750
December 13, 1902	879,371,500	873,731,200	226,819,700	8,386,900
December 20, 1902	875,861,300	867,856,000	225,057,600	8,093,600
December 27, 1902	875,321,500	865,953,600	223,037,600	6,549 200
January 3, 1903	875,352,100	873,115 000	228,472,600	10,193,850
January 10, 1903	871,642,100	873,602,600	233,212,700	14,810,300
January 17, 1903	886,054,100	901,111,900	245,495,100	20,217,125
January 24, 1903	890,448,100	912,812,100	254,618,000	26,414,975
January 31, 1903	904,510,700	931,778,900	260,825,500	27,880,775
February 7, 1903	924,958,600	940,180,100	253,590,100	18,545,675
February 14, 1903	936,233,400	952,310,100	253,607,200	15,529,675
February 21, 1903	950,208,700	963,219,300	249,846,500	9,041,675
February 28, 1903	950,156,300	956,206,400	245,003,500	5,951,900
March 7, 1903	939,593,300	936,639,100	234,826,900	666,975
March 14, 1903	924,500,400	916,162,000	230,064,500	1,024,000
March 21, 1903	911,547,400	900,682,400	228,351,000	3,180,400

* Deficit.

Now, the whole banking interests of the United States have shown phenomenal growth during the past twenty-five years, while the legal-tender currency has decreased, throwing the burden of reserve chiefly upon an accumulation of specie, largely in the form of gold and silver certificates. The num-

Table B.

(The figures are those of the whole National banking associations of the United States.)

	Net deposits.	*Reserve held.*	*Lawful money.*	*Due from reserve agents.*
October 1, 1877	$669,100,000	$210,800,000	$123,000,000	$73,300,000
September 30, 1892	2,022,500,000	570,900,000	327,400,000	236,400,000
October 3, 1893	1,573,700,000	513,900,000	346,400,000	158,500,000
October 2, 1894	2,019,200,000	660,400,000	402,900,000	248,800,000
September 28, 1895	1,989,300,000	571,400,000	340,100,000	222,300,000
October 6, 1896	1,798,700,000	543,600,000	343,100,000	190,100,000
October 5, 1897	2,195,600,000	695,900,000	388,900,000	297,000,000
September 20, 1898	2,479,700,000	750,500,000	420,700,000	320,000,000
September 7, 1899	3,031,500,000	890,500,000	466,300,000	414,100,000
September 5, 1900	3,281,000,000	983,300,000	518,500,000	450,700,000
September 30, 1901	3,661,600,000	1,012,200,000	539,500,000	456,600,000
September 15, 1902	3,844,400,000	804,300,000	508,000,000	280,500,000

[NOTE—The discrepancy between the amounts of "reserve held" and the totals of "lawful money" and "due from reserve agents" items is accounted for by the amounts in the "redemption fund" with the United States Treasurer which are a part of the reserve but not included in this table.]

ber of National banks has grown from 2,081 in 1877 to 4,601 on September 15, 1902, with an aggregate capital and surplus of more than $925,000,000. The deposits have grown during this period from $669,100,000 to $3,844,400,000 while the reserve held in New York city alone is often much greater than that of the whole body of National banks in 1877. Table B, on the preceeding page shows very strikingly the growth of the banking business and its rapid advance in the last few years.

It will be noted, therefore, that in twenty-five years the deposits increased $3,175,300,000, while the lawful money held only increased $385,000,000, and some months earlier than the last date given the deposits were doubtless much larger. The total lawful money held September 15, 1902, was made up as follows:

Gold and gold certificates	$298,862.066
Silver dollars and silver certificates	59,616,195
Silver fractional coin	7,757,859
Legal-tender notes (greenbacks)	141,757,618
	$507,993,738

It will also be noted that in the five years from 1897 to 1902 the deposits increased $1,648,800,000 while the lawful money held increased but $119,100,000. In the last six years the deposits have more than doubled.

In this connection the following table of the status of other financial institutions outside of the National banking association is of interest:

Table C (June 30, 1902).

	Capital and surplus.	*Cash on hand.*	*Deposits.*
6,049 State banks	$356,160,627	$178,613,735	$1,698,185.287
4,188 private banks	177,630,213	9,388,059	131,669,948
727 loan and trust companies	348,446,817	31,936,655	1,525,887,493
		$219,938,449	$3,355,742,728
Savings banks		30,877,338	2,650,104,486
		$250,815,787	$6,005,847,214

The cash holdings of these institutions against over $6,000,000,000 deposits were made up as follows:

Gold and gold certificates	$106,152,188
Silver and silver certificates	30,137,029
* Paper currency	86,217,289
* Not classified	28,309,281
	$250,815,787

* Probably largely National bank notes.

The enormous banking growth the figures disclose was only made possible by the very large credit balance of foreign trade for a series of years, which enabled the accretion of specie from abroad, and by the legalizing of silver which went on for a number of years. The latter source of supply has ceased, there can be no further expansion of silver legal reserve. There is a slim prospect of drawing gold from abroad to provide legal reserve for further increase in bank deposits, since the annual output of the mines is no more than is needed for the legitimate general growth of money transactions and we can at best hardly hope for more than our share from this source. Indeed as the figures of January 1, 1902, show that the United States then held $1,174,600,000 in gold out of a total of $5,174,400,000 for the whole world, it would seem to be evident that we have more than our share already, since we have more than double the holdings of Great Britain, nearly $400,000,000 more than the whole British Empire, and nearly $300,000,000 more than France.

In 1875 the total coin and paper currency in circulation in the United States, outside of the Treasury, was $754,101,947; in 1902 it was $2,249,390,551.

The problem then would seem to be either to keep business expansion and bank deposits down to narrower limits, or to devise some way in which larger deposits may be safely carried. The process of business increase has been going on at a rapid pace, although there is every indication that the growth is in the main natural, normal and healthy; and to check growth is a delicate matter. To cut off an unhealthy growth—whether in the physical human body or the human financial body politic—entails serious risk of loss by shock and impaired vitality; while to check a normal, healthy growth means an inevitable derangement of vital forces, an almost inevitable producing of diseased conditions, and is a dangerous enterprise at the best. If our present business growth is not sound, a collapse will bring us to grief and to a general revision of conditions later on, without doubt; but the common judgment of those whose opinions carry weight is that our trade conditions are in the main sound and healthy; so that if we are to continue growing, it becomes imperative to look about for some means by which there shall be a larger available reserve for the banks, or else that they shall not be forced to carry so large a percentage as the law now requires. The reducing of the legal requirement, however, would probably produce a more or less unfavorable feeling of uneasiness; and as a matter of fact the money reserve of the whole body of National banks in September, 1902, amounted in actual legal money to only about 13.2 per cent. of their deposits, while the State banks, private banks, trust companies and Savings banks carry very little, about 4.2 per cent. including National bank notes. The small reserve of the National banks is due to the operation of the provision allowing a certain portion of the reserve to be carried in the form of a deposit with the "reserve agents" who in turn are only obliged to carry twenty-five per cent. in lawful money against it. Setting aside, therefore, the suggestion of a reduction of legal percentage, the question comes as to where more money is to be had. The Government might, perhaps, pay off a considerable part of its bonded indebtedness, issuing instead an equivalent in legal tenders or greenbacks; this would help solve the problem, but the whole weight of financial opinion is against any increase in this form of public indebtedness. There is another measure which would probably provide a safe and adequate solution, but it involves so radical a departure from the present methods of governmental finance that it is not intended to discuss it here.

There is, however, one measure of relief which may be readily available, and that is a change in the law so that National bank notes may be counted in the reserve. If the present issue of National bank circulation should not be increased the relief from this source, while definite, would be very small, since only an insignificant part of the outstanding circulation is held by the banks themselves, being in September, 1902, $22,861,873, while the total amount outstanding in that month is given as $361,282,691, and in November as $380,476,334.

The statement of the forty-four banks of New York city, made to the Comptroller of the Currency, September 15, 1902, shows that they held altogether but $736,944 in National bank notes, of which two banks had none at all and only four as much as $50,000 each; although, as they were below their reserve at this date by $2,283,968, even this measure of relief would have been welcome. The circulation of these forty-four banks at the same date amounted to $34,679,177, and it would seem that if National bank circulation had been available for reserve there ought not to have been much trouble in increasing it a few millions more under the incentive of providing a ready means to turn a deficit into a balance on the surplus side.

The question would seem to narrow itself down to two considerations: Would National bank notes be safe as a part of the legal reserve? And would the circulation be increased sufficiently to make the measure of relief one of any importance?

In regard to the consideration of safety, it is hard to understand how there need be much fear since the notes are universally accepted as the equivalent of legal tender except by the Government itself. The Treasury is responsible for their redemption, they have United States bonds back of them, and even the notes of insolvent banks pass current without question. In fact the notes of insolvent banks have been known to command a premium as high as five per cent. as an inducement to send them in for redemption.

Indeed in recommending that the banks be allowed to issue "circulation based upon general credits" instead of requiring the deposit of United States bonds, Secretary Shaw (annual report 1902) says: "Neither do I believe it necessary to make currency thus issued a first lien upon assets. A very small tax upon circulation would be sufficient to cover any possible loss. The Government actuary has demonstrated that a tax of one-eighth of one per cent. upon circulation would have covered all loss from the beginning of our National banking system to the present time, had each bank maintained its limit of circulation. Instead of calling this a tax, suppose it be called 'premium on insurance' and the Government the 'underwriter.' The banks could be required to redeem their circulation at reserve cities, and the Government would never suffer injury or embarrassment as an insurer against ultimate loss. The lowest tax suggested by anyone would far exceed any possible loss, and the Government could assume responsibility to the people and still realize a profit." Surely a currency upon which the Government would make a profit by guaranteeing it ought to possess every function of legitimate banking reserve, at least to the extent of a portion of the amount required to be carried.

But would the banks be willing to increase their circulation by an amount that would give the suggested relief? At present many of them see little advantage to themselves in buying Government bonds as a basis for circulation, but if to carry their deposits larger reserves are required and are not to be had otherwise, it seems fairly evident that this pressure would bring about a considerable increase in bank circulation if it should be vested with the function of a legal reserve.

Secretary Gage (last annual report, 1901) proposed a plan by which he was confident the banks could be induced to issue additional circulation sufficient to take up and retire the whole of the present issue of United States notes (greenbacks); and surely it ought not to be difficult to devise a system under which they would issue circulation to protect their own reserves and carry on on their own business when it is threatened with straitened resources.

Secretary Shaw's suggestion, if incorporated in the law, would no doubt provide an easy way, or some modification of Secretary Gage's plan might be equally effective and might recommend itself by having at least the appearance of greater conservatism. But if these gentlemen are right in thinking that the plan they advocate will result in a very largely increased and flexible bank circulation, the question whether the banks would issue circulation to protect their reserves is merely one of details.

There seems to remain, however, one thing to be said. The total coin and paper money in circulation, outside the Treasury, being $2,249,390,551 and of this there being only about $760,000,000 in the banks and other financial institutions, there was in September of last year the enormous sum of about $1,500,000,000 in the hands or pockets of the people at large. The amount seems unnecessarily large, but there is no apparent way in which any considerable portion, at certain seasons of the year when crops are to be moved, can be diverted from this use and kept in the banks where it really belongs. A very considerable increase in the number of small banks in remote parts of the country would probably accomplish it, but this in the nature of things must be a very gradual process, and meantime the stress is apparently growing imminent.

JOSEPH HORNOR COATES.

SAVINGS BANKS IN MEXICO.

Mexico has until recently been without a system of Savings banks. Even the commercial banks do not carry large deposit accounts, except under the form of current creditor accounts against the merchants to whom they extend their credit. A charter has just been granted for the creation of a Savings bank in the State of Chihuahua, which will soon be in operation. The author of the project is Mr. Enrique C. Creel, the well known Mexican capitalist, who has recently been in Europe as Chairman of the Mexican Commission on International Exchange.

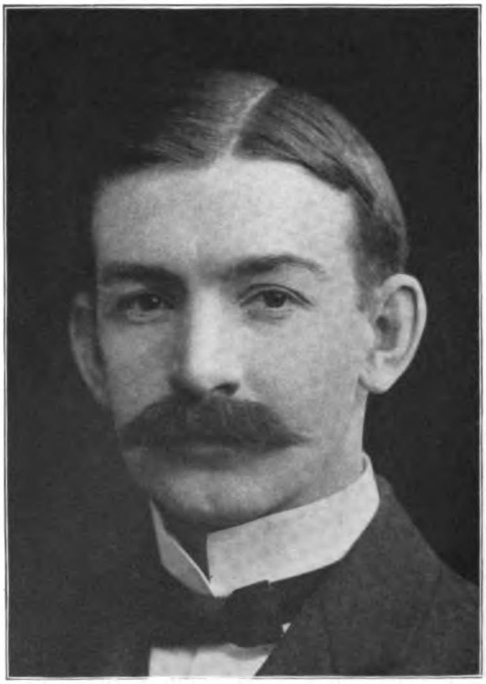
The new bank for Chihuahua will be founded with a nominal capital of about 200,000 pesos, which will be paid up in proportion to the increase of deposits. The new bank is authorized to establish branches.

It is Mr. Creel's belief that the system of Savings banks can be extended gradually throughout Mexico, and that it will prove of great benefit to the common people in stimulating habits of saving, and to the financial resources of the country by drawing into use capital which may now be idle in private hoards.

While the new institution will be a private corporation rather than a Government establishment, arrangements will be made to attract small savings under some such system as the postal Savings bank organization in England and on the Continent. Mr. Creel believes that the habit of saving will make rapid headway when the new system has been inaugurated and its benefits made plain to the people. It is probable that his brother, Mr. Juan A. Creel, will be the President of the bank in Chihuahua, but Mr. Enrique C. Creel will be one of the directors and will bring his constructive ability and public spirit to the service of the bank.

W. IRVING OSBORNE, *Vice-President.*

A. UHRLAUB, *Vice-President.*



CHAS. G. DAWES, *President.*

W. R. DAWES, *Cashier.*

LAWRENCE O. MURRAY.

THE CENTRAL TRUST COMPANY OF ILLINOIS, CHICAGO.

The Central Trust Company of Illinois, Chicago, with a capital of $4,000,000 and a surplus of $1,000,000, began business somewhat over a year ago—to be exact, July 8, 1902. It is a typical modern banking institution, with a strong board of directors and an efficient corps of officers. It is enterprising in its methods of doing business and conservative in the management of its affairs.

Its organizers, headed by Charles G. Dawes, formerly Comptroller of the Currency under President McKinley, believed there was need in Chicago for an institution equipped to do a general banking, savings and trust business with a large capital, and the strength, success and growth of the Central Trust Company of Illinois have demonstrated that this belief was well founded.

The officers and directors of the Central Trust Company of Illinois are:

Officers: Charles G. Dawes, President; W. Irving Osborne, Vice-President; A. Uhrlaub, Vice-President; William R. Dawes, Cashier; L. D. Skinner, Assistant Cashier; Lawrence O. Murray, Secretary and Trust Officer; Malcolm McDowell, Assistant Secretary; Max Pam, General Counsel.

Directors: A. J. Earling, President C. M. & St. P. Ry.; Max Pam, Pam, Calhoun & Glennon, attorneys; Frank O. Lowden, attorney; Thomas R. Lyon, Lyon, Gary & Co.; Harry Rubens, Rubens, Dupuy & Fischer, attorneys; P. A. Valentine, Vice-President Armour & Co.; Graeme Stewart, W. M. Hoyt & Co.; Charles T. Boynton, Pickands, Brown & Co.; Alexander H. Revell, President Alexander H. Revell & Co.; Arthur Dixon, President Arthur Dixon Transfer Company; Charles G. Dawes, Ex-Comptroller of the Currency.

The company has been successful in the best sense of that word, having attracted a large volume of business of a desirable and profitable kind. Great care was taken in forming the company to enlist solid and important interests in the organization and to provide fully for the proper equipment and conduct of the various departments. Especial attention has been given to handling reserve accounts of out-of-town banks and bankers and the courteous and efficient service rendered has produced gratifying results. In fact, the Central Trust Company has thoroughly established its right to be considered as one of the strong and conservatively progressive banking institutions of Chicago.

INDISPENSABLE TO UP-TO-DATE BANKERS.

TUSCALOOSA, Ala., Sept. 26, 1903.

The Bankers Publishing Co., New York, N. Y.

GENTLEMEN: My MAGAZINE for September came duly to hand, but was borrowed before I had a chance to read it, and has since been lost.

I would thank you to send me another one, as I am having them bound and do not want to have a break in my files.

I do not see how any up-to-date banker can get along without THE BANKERS' MAGAZINE.

Yours truly,

R. H. COCHRANE, *Asst. Cashier City National Bank.*

* THE PRACTICAL WORK OF A BANK.

EMBEZZLEMENTS AND DEFALCATIONS.

II.

"Every man has his price," is a trite saying, which the writer does not indorse, believing there are multitudes in and out of positions of trust whose integrity is beyond price; yet, as a continuous dropping of water will wear away a stone, there are too many honest and upright in thought and deed who finally yield to a continuous temptation and borrow (?) funds in their care without the consent of the lender (?)

How shall the bank management guard against exceptional mistakes in the selection of employees, or prevent such of judicious selection from being led into peculating practices?

The above seems to be the main question for this discussion, and it is assumed as a premise that all concerned are offering the petition, "Lead us not into temptation." The following suggestions are made in the belief that the tendency of the principles laid down is at least in the right direction:

(1st) Give the Cashier or other employee a fair salary and a liberal annual vacation—two to four weeks. Much stress is laid upon the latter suggestion as the best and most practicable prevention of wrong-doing that can be devised. The writer has in mind an incident wherein a board of directors urged their Cashier to take a week's vacation after having served several years continuously without vacating his desk. The offer was accepted, reluctantly perhaps, for during that week a shortage of several thousand dollars came to light, which might have continued and increased had the Cashier as usual—and as is too often the practice—kept exclusive control of the account in which the shortage was hidden. Very seldom would a Cashier enter upon a course of embezzlement if his accounts were to be placed in other hands for any considerable length of time, and so the vacation becomes a measure of restraint as well as a needed change and rest.

(2d) As a further restraint and educational practice it is suggested that a thorough—more thorough than is now usual—examination of the bank be made annually by a standing examing committee, and that one or more of such committee be delegated to attend the examination by the bank examiners, not only for the assistance to be rendered, but for the better qualification the average director would acquire for the duties assigned to his committee. The member of the committee so delegated could materially assist in the verification of the loan account especially, as he would be supposed to know as to the genuineness of all paper and any director's personal interest therein, and whether such paper has been approved by the full board—an essential requisite of good management.

(3d) While the resources of a bank can be readily and fully verified, it is not so easy a matter to verify its liabilities, especially as to the deposit account, and here is the opportunity where the tempter frequently gets in his work, in the form, perhaps, of promising speedy fortune from some speculative investment in stocks or

* A series of articles to be published in competition for prizes aggregating $1,050, offered by THE BANKERS' MAGAZINE. Publication of these articles was begun in the July, 1901, number, page 18.

options, the daily mail from Wall street containing the constant dropping of suggestions that too often wear away the supposed firm basis of integrity.

The Comptroller of the Currency, referring to irregularities in connection with the deposit account, has advised that all pass-books, when balanced, should be compared with the ledger accounts by some one who does not receive deposits or keep the individual ledger. The spirit of this advice has been followed by many banks, while others ignore it altogether as a too burdensome practice. Bank managers, having the fullest confidence in their employees, are inclined to "let well enough alone," and do not readily adopt new devices that increase the clerical work and expense account.

Well, after all the pass-books have been called in by postal-card, request, or otherwise—a practice that has not proved specially burdensome—and compared by this approved method, the limit of the bank's liability on deposit account is not assured; and the door to peculation is still open, most likely to be discovered by one looking for his opportunity.

How shall it be known or safely assumed that there are no deposit liabilities not shown in their proper place of entry, whether represented by pass-books, certificates of deposit, or Cashier's checks?

To diminish the possibility of loss from this source it is suggested that a system of countersigning all checks and certificates of deposit would be in the line of business prudence, and that all pass-books should be in the custody of the bookkeeper, and issued only by that official, not by the receiver of deposits.

When collusion of two or more becomes necessary to irregularities, the chances of such occurrences are very much reduced.

In case a Cashier does all the work of a bank, it is suggested that all pass-books to be presented for settlement should, by printed request on same, be deposited with one of the examining committee, or other person conveniently located and selected for the purpose, each accumulation to be taken to the bank at directors' meetings or oftener, and compared with the individual ledger. This practice might be applied more extensively with good effect.

With the foregoing suggestions in practice—not interfering with the dispatch of business—is the door to evil and loss still open or ajar to any dangerous extent? If so, then make it the duty of every holder of a standing liability against a bank by law on request to notify some designated official within a reasonable time of the commencement of such liability and the nature and extent of the same. Any claim not shown in the bank's books and representing embezzlement might be justly annulled by a neglect to comply with such a requirement.

It is safe to assume, however, that no serious irregularities will exist with the above suggestions in practice, the most burdensome feature of which is the one thorough annual intelligent examination to include the verification of every item of assets and liabilities.

Most bank managers will demur to this suggestion, saying that it will take weeks of time to make such an examination. If such examinations are made obligatory, ingenuity will devise an easy and practicable system. Besides, there is a credit side to the account likely in time to balance the debit.

Shut the door to embezzlement and the cost of official surety company indemnifying bonds will be very much reduced.

Let us all all continue to pray, acting accordingly, "Lead us not into temptation."

EX-CASHIER.

NEW YORK STATE BANKERS' ASSOCIATION.

TENTH ANNUAL CONVENTION HELD AT SARATOGA SPRINGS, NEW YORK, SEPTEMBER 10 AND 11, 1903.

FIRST DAY'S PROCEEDINGS.

The tenth annual convention of the New York State Bankers' Association was called to order by President Stephen M. Griswold in the ballroom of the Grand Union Hotel, Saratoga Springs, on Wednesday, September 10, 1903, at 10 A. M. The convention was opened with prayer by Rev. Joseph Carey, Rector of Bethesda Protestant Episcopal Church, of Saratoga Springs. President Stephen M. Griswold then delivered the annual address, as follows:

PRESIDENT GRISWOLD'S ANNUAL ADDRESS.

As president of the New York State Bankers' Association it becomes my pleasant duty to welcome you to our tenth annual convention.

I am pleased to see the large number of bankers gathered here; it shows that an increased interest is taken and that our association is growing in strength and power. "As goes the Empire State so goes the nation." This is true in the banking interest as well as in commerce or in politics.

The year which has passed, take it all in all, has been one of prosperity; securities have fluctuated, some have declined. In fifty years of experience in business I have seen several of these periods of depression, but they soon pass away, leaving business in a better condition than it was before. With no foreign war on our hands, with good crops, manufacturers busy, the increased earnings of the railroads and the labor troubles moving toward a permanent settlement, there is no danger of financial panics or any serious trouble in business. On the other hand, we have years of prosperity before us. Our banking system, our commercial power, our agricultural and manufacturing interests, place the United States in the front rank of nations.

Several questions of importance to the banking business will be submitted to you by the council of administration for your consideration. They are now being discussed by the banking associations of other States; we look to you for action. Among them is the advisability of admitting trust companies to membership in our organization; the subject of the money order business of the country, which is now being done through the Post Office Department and the express companies (this business should be done by the banks), the question of calling upon the next Congress to take action upon the currency, and last, but not least, the question of paying interest on daily balances to individual depositors, which has grown recently to such an extent that it is making inroads upon the life, prosperity and safety of banks that do it to any extent. Safe and conservative banking interests demand that no such interest should be paid. The foundation on which the banking business should be built is absolute safety, and anything which tends to weaken this should be checked at once

I desire to take this occasion to thank the officers and each member of the council of administration for their cordial and active support during the past year in every measure for the welfare and success of the New York State Bankers' Association.

LEO SCHLESINGER, President of the Mechanics and Traders' Bank, of New York, offered a resolution thanking Secretary Shaw for the wisdom displayed in depositing the revenues, amounting to forty millions of dollars, in the banks. The resolution was declared out of order, and was withdrawn.

THE PRESIDENT: As many of you know, we have been deprived of the services of our secretary most of the time during the past year owing to his continued ill-health, and it has been rather difficult, therefore, to carry on the routine work of the association; but the council elected Mr. Lewis E. Pierson, Vice-President of the New York National Exchange Bank, to act as secretary, and he very kindly consented to serve, and he has done loyal and efficient work for the association since that time. I now call upon him to present the secretary's report.

ANNUAL REPORT OF THE SECRETARY.

ACTING SECRETARY PIERSON: Mr. President and Gentlemen—I beg leave to present the following:

The unfortunate illness of the association's secretary, Mr. T. Ellwood Carpenter, which we all very much regret, has somewhat interfered with the work of that office during the past year, and the detail work of the association is therefore covered by the report of the council of administration.

The present membership, shown by groups in the treasurer's report, is 455.

The one point which I would like to forcibly call attention to is the fact that that there are about 345 National and State banks and banking houses eligible to membership in the association but still outside of our organization. They should all be members.

On motion, the report was received and placed on file.

THE PRESIDENT: Next in order is the report of the treasurer.

ANNUAL REPORT OF THE TREASURER.

E. T. JOHNSON, of Glens Falls: I take pleasure, Mr. President, and gentlemen, in submitting my report as your treasurer, as follows:

SEPTEMBER 10, 1908.

Receipts.

Received from my predecessor, F. E. Howe		$7,717.85
Received from old members, dues 1903-4		45.00
Received from new members, dues 1903-4		90.00
Received from H. P. Davison, for extra seats sold at banquet held at the Waldorf-Astoria		339.00
		$8,191.85

Disbursements.

For taxation committee	$71.32	
For printing	53.70	
For banquet at Waldorf	2,798.30	
For music at Waldorf	415.00	
For rental of chairs, New York Clearing-House	75.60	
For menus, Tiffany & Co.	360.00	
For stenographer, Charles A. Morrison	100.00	
For officers' expenses	890.00	
For disbursements to groups	1,347.00	
For council meetings	686.65	
For copies of Proceedings of 1902 Convention, Bankers Publishing Company	449.36	
For sundry bills, stationery, etc., duly audited	101.96	7,348.89
Balance on hand		$842.96

Total membership reported at last convention.................................... 445
Total membership for 1903-4.... 456
Divided as follows:

Group I	51	Group V	81
Group II	27	Group VI	41
Group III	31	Group VII	42
Group IV	61	Group VIII	121
			455

Respectfully submitted,
(Signed) E. T. JOHNSON, *Treasurer.*

On motion, the report was received and referred to the following auditing committee appointed by the Chair: James M. Donald, Hanover National Bank, New York; Frederick E. Lyford, Citizens' Bank, Waverly; F. T. Haviland, Farmers' National Bank, Hudson.

THE PRESIDENT: Next in order will be reports from the different groups, which is a very important part of our programme, as it shows the conditions existing in banking circles throughout the various sections of the State. The usual manner of proceeding is for the chairman of each group to respond briefly. The chairman of Group I is absent, and Mr. Bissell, of Buffalo, will report for that group.

GROUP I.

A. D. BISSELL, of Buffalo: I am sorry the chairman of our group has been detained and is unable to be present at this convention, but I will give you as near as I can remember what he said of the proceedings in the group during the past year.

The meetings that have been held were very successful and satisfactory. There have been no special meetings called, because there were no special subjects for consideration.

The general condition of the group is fairly prosperous, although it is not as active as it ought to be. The membership is about the same as it had been in previous years, and, considering the fact that we have had so many banks go out of business in the city of Buffalo for various reasons, I think the showing is quite creditable.

GROUP II.

ACTING SECRETARY PIERSON: Mr. Brewster, the chairman of Group II, has telegraphed that owing to illness in his family, he is unable to be present.

THE PRESIDENT: If there is no one here to report for Group II, a report can be prepared later and handed in to the Secretary for incorporation in the minutes of this meeting.

GROUP III.

E. O. ELDREDGE, of Owego: Group III has only this to say for itself: That it has had one meeting during the year; that its membership has increased by one, and that it is in a decently thrifty condition. There have been no special events to call the members of the group together, nor have there been any special topics calling for discussion. We anticipate a most interesting time at our forthcoming annual meeting.

GROUP IV.

E. S. TEFFT, of Syracuse: We have had no meeting of our group since the last annual gathering. We expect to have our next annual meeting early in October. Group IV is in a prosperous condition, although I do not think we have increased any in membership.

GROUP V.

WILLIS G. NASH, of Albany: Group V has held only one meeting during the past year, namely, the annual meeting, which was held at the Troy Club on January 20. At that meeting the following officers were elected for the current year:

Willis G. Nash, of Albany, chairman; G. M. Jarvis, of Cooperstown, secretary. Members of executive committee: C. W. Bostwick, of Hudson, Henry Colvin, of Troy, M. C. Brown of Utica, F. S. Atwell, of Port Henry, William L. Howland, of Mechanicsville.

The business meeting was followed by a dinner presided over by Francis M. Mann, Jr., of Troy, the retiring chairman of the group. Eighty-three persons were present, and addresses were made by Hon. Stephen M. Griswold, president of the State Association, who spoke on "Problems of Interest to the Banker of To-day;" Rev. Andrew Gillies, of Troy, whose subject was "The Gospel of Wealth;" James H. Potts, editor of the "Troy Times," spoke on "Publicity as a Preventative of Trust Evils," and Rev. Henry R. Freeman, also of Troy, whose theme was "The Era of Peace."

Group V now has eighty-one members, being an increase of three over last year.

Group VI.

Edward Elsworth, of Poughkeepsie: Group VI has held only one meeting during the year, and that was the annual meeting which was held at the Hotel Manhattan, New York city, December 17. Matters relating to the group were discussed, and the annual election of officers took place.

The membership remains the same as last year, the group having lost one member by reason of consolidation and gained one new member. I may say that I have discussed informally with a number of the members various questions relating to matters of interest to the whole association, and I have nearly exhuasted my stock of stationery in corresponding with members of the group about subjects suggested by the council of administration, and I am glad to say that I found great unanimity of opinion among the members of the group upon all these subjects. I may also say that I have corresponded with every bank within the limits of the group that is not a member of this association in the endeavor to induce such banks to become members, and I think we must all exert a strong personal effort in this direction if we are to bring in new members, besides endeavoring to reach them by letter.

Group VII.

Hiram R. Smith, of Rockville Center: For Group VII, which comprises the banks of the Boroughs of Brooklyn and Queens in Greater New York, and the counties of Nassau and Suffolk, representing the whole of Long Island, I have to report that the annual meeting was held on January 7. The speaker was elected chairman, and Henry L. Crandell, of the Bank of Long Island, secretary and treasurer.

Three group meetings have been held during the year, each of which was well attended and a keen interest manifested in the proceedings. Several meetings of the executive committee have been held during the year, The entire membership in the territory of the group consists of fifteen National banks and forty State banks. Of this number thirty-one State banks and twelve National banks are now members of the association. Of the thirty-one State banks reported six have merged and are now branches. The number of banks that have not as yet joined the association is twelve—three National and nine State. We have sixteen branch banks in our territory. During the year four State banks and two National banks have been organized. Also banks of Flushing and Jamaica and Far Rockaway have been merged under the name of the Bank of Long Island.

At the group meetings we have not thought to settle the currency question, or weighty financial matters, the occasions being used more for the purpose of becoming better acquainted personally, and in a conversational way endeavoring to improve, by comparisons, our methods and system of practical banking.

The President: Mr. William A. Nash, President of the Corn Exchange Bank, of New York, is chairman of Group VIII, and last night I received a letter from him reading:

I regret very much that I shall be unable to attend the council of administration of the New York State Bankers' Association at the Grand Union Hotel, Saratoga, on Wednesday evening, September 9. I doubt if my absence would very seriously interfere with the efficiency and wisdom of the deliberations of the council. Please present my compliments to my associate members.

Trusting that the annual meeting under your presidency will be a very successful and interesting one, I remain, very truly, WILLIAM A. NASH.

Our secretary informs me that Mr. Curtis, of the Bank of North America, will present a report from Group VIII.

GROUP VIII.

A. H. CURTIS, of New York: I have been handed the following report of Group VIII, made by the secretary of the group, with the request that I present it. It is addressed to the acting secretary of this association, and I will ask him to read it.

ACTING SECRETARY PIERSON (reading): "New York, September 9, 1903. Lewis E. Pierson, Esq., acting secretary, New York State Bankers' Association, Sir: As secretary and treasurer of Group VIII, New York State Bankers' Association, I have the honor to report as follows:

The annual meeting of the group was held at the Lawyers' Club, New York, on the afternoon of May 9, 1903, Hon. J. Edward Simmons, President of the Fourth National Bank, New York, presiding, the guest of honor being Hon. Hamilton Fish, Assistant Treasurer of the United States, at New York. The report of the secretary for the year 1902 was read and placed on file.

The following-named gentlemen were elected officers for the year 1903–1904:

Chairman, William A. Nash, President Corn Exchange Bank, New York; secretary and treasurer, Chas. Eliot Warren, Cashier Lincoln National Bank, New York. Executive committee: Wm. M. Bennet, Cashier Bank of America, New York; Wm. A. Simonson, Vice-President National City Bank, New York; Charles H. Stout, Vice-President Liberty National Bank, New York; Chas. L. Robinson, Cashier Western National Bank of United States, New York; D. H. Pierson, Cashier Bank of Manhattan County, New York, and Messrs. Nash and Warren, the officers above mentioned.

The group has a membership of 119, divided as follows: banks 83, bankers 36. The annual dinner will be held probably on or about December 19, at the Waldorf-Astoria, New York; the exact details yet to be arranged by the chairman of the executive committee.

I might mention, in connection with the convention of the American Bankers' Association at San Francisco, California, that the secretary and treasurer of the group have arranged a special train for the bankers of New York, which will leave the Grand Central Station, New York city, on the evening of Tuesday, October 13. Full information regarding this train may be had from the representatives of the New York Central system who will be found at the headquarters of the association at the Grand Union Hotel. Very respectfully, Chas. E. Warren, secretary and treasurer."

THE PRESIDENT: This concludes the reports of groups. We have received some communications, which I will ask the secretary to read.

ACTING SECRETARY PIERSON: This letter has been received from Governor Odell:

My Dear Mr. Griswold:

I have your favor of August 31, and regret exceedingly that it will not be possible to accept your invitation to attend the convention on the 10th and 11th of September, or the banquet on the evening of the 10th, owing to other engagements made for those dates. It would give me a great deal of pleasure to accept the invitation, I assure you, if I could do so.

Thanking you for the courtesy, I am very truly yours, B. B. ODELL.

Also the following letter from Judge Dexter, one of the former presidents of this association:

I deeply regret that the condition of my health continues such that I am unable to attend the annual meeting of the New York State Bankers' Association at Saratoga this year—the first time I have failed. My interest, however, continues, and I hope to be with you at the next meeting. Please convey my regrets to inquiring friends.

Trusting that you will have a successful and pleasant meeting, I am,

Yours sincerely, SEYMOUR DEXTER.

Also the following telegram from Charles H. Stout Vice-President Liberty National Bank, New York city:

"Best wishes for successful convention. Sorry I cannot be with you."

THE PRESIDENT: The next business in order will be the nomination of officers for the coming year. The usual form is to nominate the president first by calling the groups in rotation, and the chairman of each group placing in nomination the candidate his group prefers. If there is no objection we will proceed with that order at the present time. I call upon Group I for its nominee for the office of president of the association for the coming year.

E. C. MCDOUGAL, of Buffalo: Group I has no candidate to present from within its own ranks, but it takes pleasure in placing in nomination for the office of president the name of J. H. DeRidder, of Saratoga Springs.

THE PRESIDENT: Mr. Brewster, chairman of Group II is not present, and I do not see any one here to speak for that group. I therefore call upon Group III.

The nomination of Mr. DeRidder was then seconded as follows: by E. O. Eldredge, of Oswego, on behalf of Group III; E. S. Tefft, of Syracuse, on behalf of Group IV; Willis G. Nash, of Albany, Group V; Edward Elsworth, of Poughkeepsie, on behalf of Group VI; Hiram R. Smith, of Rockville Center, on behalf of Group VII, and A. H Curtis, of New York, on behalf of Group VIII.

THE PRESIDENT: Mr. DeRidder having received the unanimous nomination of the convention, will to-morrow, according to our rules, be elected president of the association for the ensuing year.

Nominations for vice-president are now in order.

E. C. MCDOUGAL, of Buffalo: Group I has no candidate for vice-president, and desires to place in nomination a member of Group VIII—Mr. Lewis E. Pierson, Vice-President of the New York National Exchange Bank.

THE PRESIDENT: Group II. (No response.) Group III.

E. O. Eldredge, of Owego, on behalf of Group III heartily seconded the nomination of Lewis E. Pierson, for vice-president, as did also the following: E. S. Tefft, of Syracuse, Group IV; Willis G. Nash, of Albany, Group V; Edward Elsworth, of Poughkeepsie, Group VI; Hiram R. Smith, of Rockville Centre, Group VII, and A. H. Curtis, of New York, on behalf of Group VIII.

THE PRESIDENT: I am glad to announce the unanimous nomination of Lewis E. Pierson for vice-president of the association. Now make your nominations for secretary.

F. E. LYFORD, of Waverly: I desire to place in nomination a man who has served the association in former years as secretary, one who is extremely well qualified for the position, and who by virtue of his office as chairman of Group III cannot—modestly, of course—speak for himself; and, as I am taking his place away from him, I would like to nominate for secretary Mr. E. O. Eldredge, of Owego.

E. S. TEFFT: Group IV takes very great pleasure in seconding the nomination of Mr. Eldredge for secretary of this association.

WILLIS G. NASH: Group V also seconds the nomination of Mr. Eldredge.

F. E. LYFORD: Mr. President, do not forget Groups I and II.

THE PRESIDENT: I had forgotten them, but our secretary informs me that it will hardly be necessary to call them, as they are undoubtedly for Mr. Eldredge.

The nomination of Mr. Eldredge was further seconded by Edward Elsworth, of Group VI; Hiram R. Smith, of Group VII, and A. H. Curtis, of Group VIII.

THE PRESIDENT: I am pleased to announce that Mr. E. O. Eldredge has received the unanimous nomination for secretary of the association.

The nomination of treasurer is next in order.

E. C. McDOUGAL: It is with the greatest reluctance that Group I sees the last chance slipping away from it; but, nevertheless, I take pleasure in placing in nomination for the office of treasurer of this association Mr. David Cromwell, of White Plains.

E. O. ELDREDGE, of Group III; E. S. Tefft, of Group IV, and Willis G. Nash, of Group V, seconded Mr. Cromwell's nomination.

EDWARD ELSWORTH: I am very glad to have the privilege of seconding the nomination of Mr. Cromwell. He is a very distinguished member of Group VI; he has been its chairman, and has always been very active in the affairs, not only of the group, but of the association at large. I do not recall a single meeting of our group, nor a convention of the association, that he has failed to attend.

HIRAM R. SMITH, of Group VII, and A. H. Curtis, of Group VIII, also seconded the nomination of Mr. Cromwell.

THE PRESIDENT: This is another unanimous nomination. I declare Mr. David Cromwell, of White Plains, the unanimous choice of this convention for treasurer, and I want to say that I compliment the members here present for the happy selection they have made. I desire also to say that every one of the gentlemen nominated this morning has been active and efficient in the work of the association, and it is a fitting reward that they are now to be elected as its administrative officers.

Next in order will be the report of the council of administration.

REPORT OF THE COUNCIL OF ADMINISTRATION.

Since the last convention there have been three meetings of the executive council. The first was held at the Fort Orange Club, Albany, January 21, 1903, president Griswold, presiding; the other officers present, and each group represented, with the exception of Group I.

The group chairmen reported successful meetings in their own groups, and that the same were in very good condition. The question of admitting trust companies to membership was very fully discussed, and a resolution was adopted requesting the various groups to consider the question and report thereon before recommendations be made by the council to the association.

A resolution was adopted that the council recommend to the convention the admittance of branch banks to membership in the association upon the payment of minimum dues, and that their membership be without vote.

A resolution was adopted for the appointment of a committee consisting of Edward Elsworth, of Poughkeepsie, chairman, and T. Ellwood Carpenter, of Mt. Kisco, to consider the present bankruptcy law.

Saratoga was selected as the place for the State convention to be held early in September, and a committee of arrangements was appointed consisting of J. H. DeRidder, Saratoga Springs, chairman; E. S. Tefft, Syracuse; Elliott C. McDougal, Buffalo; E. O. Eldredge, Owego, and Lewis E. Pierson, New York city.

The second meeting was held at the Montauk Club, Brooklyn, New York, July 29, President Griswold presiding; all other officers present, with the exception of T. Ellwood Carpenter, secretary, and all groups represented excepting Groups I and II. At this meeting the committee on arrangements for the State convention were also present by invitation.

President Griswold read letters from Mrs. T. Ellwood Carpenter, wife of the secretary, relating to his illness; and Lewis E. Pierson was, upon motion, elected acting secretary, pending the recovery of Mr. Carpenter or the election of a secretary at the coming convention.

The group reports were then received upon the proposition to admit trust companies to membership, as follows: Groups I and II absent; Group III, favorable, provided trust companies admitted carried the same cash reserves as banks; Group IV, same; Group V, opinion divided, some members of the group favoring a trust company section, similar to that existing in the American Bankers' Association; Group VI, favorable, provided trust companies admitted carried the same cash reserves as the banks, and suggesting that legislation be enacted imposing reserve requirements upon all trust companies in the State; Group VII and Group VIII, favorable, provided trust companies admitted carried the same cash reserves as banks.

Upon motion, it was thereupon resolved that the council of administration recommend that the New York State Bankers' Association welcomes to membership such trust companies in the State as carried the same cash reserves as now required of State banks.

Upon motion, it was resolved that this council, recognizing the necessity of currency reform, and whereas banking conventions in other States have appointed committees and requested that a committee be appointed from this State to consider this subject, it was recommended that the convention appoint A. B. Hepburn, Vice-President Chase National Bank, New York; Edward Elsworth, President Poughkeepsie Savings Bank, Poughkeepsie; Eliott C. McDougal, President Bank of Buffalo, Buffalo; Henry C. Brewster, President Traders' National Bank, Rochester, and the president of the association as a committee who, upon invitation, shall confer and act with committees from other States to secure some definite action upon this subject at the next session of Congress.

Upon motion it was resolved that the council recommend to the convention that a committee of three be appointed to act with committees from other States to secure action that will bring back to the banks throughout the country the exchange business now being handled by the express companies and post offices at banking points.

Upon motion, it was resolved that the council of administration recommend to the State association the consideration of some action which would discourage the payment of interest on daily balances on individual deposits.

The third meeting was held at the Grand Union Hotel on Wednesday evening September 9, 1908. The minutes of the last meeting were read and approved.

All the groups were represented by their respective chairman except Group II. The report of the council was read and approved for presentation to the convention, as were the reports of the secretary and treasurer.

A letter was read from Secretary Carpenter, stating his probable inability to attend the convention owing to continued illness, and a vote of regret and sympathy was passed and the secretary of the association directed to transmit the same and express the thanks of the council to Mr. Carpenter for his valuable services and the high esteem in which he is held by the members of the association.

A vote of thanks was also tendered to Lewis E. Pierson for his able services as acting secretary of the association since Mr. Carpenter's illness, without compensation. The meeting then adjourned.

On motion, the report was received and adopted.

THE PRESIDENT: The matters brought up in this report are now before the convention. Upon one of those subjects we are fortunate in having with us to-day a man who has given it a great deal of attention, and who has come a long ways to speak to us upon the question of "Bank Money Orders." I have great pleasure in introducing Mr. Joseph Chapman, Jr., Cashier of the Northwestern National Bank, of Minneapolis, and also the secretary of the Minnesota Bankers' Association.

Bank Money Orders—Address of Joseph Chapman, Jr., Cashier Northwestern National Bank, Minneapolis, Minn.

Mr. President and Gentlemen of the New York State Bankers' Association—It is a matter of no small wonderment and surprise that it should be necessary at this time to discuss in a bankers' convention the subject of the transmission of the people's money from one point to another by means of bank money orders. It is one of the functions of banks to transfer money, whether in sums of $1.00 or $10,000, the same as it is the function of a bank to loan money. Owing, however, to the comfortable profit derived in the past from the interest and discount department of the banking business, we have allowed the sale of exchange to drift almost entirely from banking channels into the hands of the Government and the express companies, and are only now becoming aware of the fact that we have given a profitable part of our business to the Government and corporations, to both of which the transmission of money is a comparatively recent innovation. We are rapidly passing from a period where we can expect large profits from a small volume of business into an era of large volume of business with decreased earnings, and we must make every branch of our business pay. This is true not only of our profession, but manufacturers and business men generally throughout the country have accepted this as a fact. For instance, the lumber manufacturers of my own city now make nearly all their profit out of what was formerly waste material, which they either dumped into the river or used as fuel.

I do not propose to enter into any tirade against the Government and express companies for their action in this matter; but wish rather at this time to pay tribute to the farsightedness and executive ability displayed by them in building up their money-order departments. It is no credit to us as bankers that we should have to sit at the feet of those outside of our own profession and learn from them how to transact our own business. But we must swallow this pill, however bitter, if we expect to serve the people as trustees of their savings and working capital to the full extent of our privilege and ability, for it is just as necessary that funds be transferred from one point to another as it is that the people have a safe place to deposit their money. It is a fact that at the present time a very small percentage of the people's money is transferred by banks.

There are no figures available at the present time to show the volume of business done by the various express companies in the United States, but fortunately we have a report from Mr. Metcalf, of the Post Office Department, in which he states that for the year ending June 30, 1902, the gross earnings of the United States postal money-order department were $2,789,181.19, being a gain over the previous year of $339,279.97. Its expenses for the last year were $899,363.33, showing net earnings of $1,889,817.86. The commission of three cents per order allowed postmasters at third and fourth-class post offices, amounting to $772,901.82, is included in the item of expenses. Adding to this the net earnings, the money-order department would show a profit in the business for the year of $2,662,719.69. It also has the use of $2,500,000 more for unclaimed orders issued and not presented for payment, and there has been no report of an addition made to this fund since October, 1900. The money-order department of the post office transferred during the past year $336,525,752 in different sums, averaging $7.75 each, and the department estimates that it will issue nearly fifty million orders this year, or ten million in excess of last year.

We also find from Mr. Metcalf's report that the plan of allowing orders to be sold by rural free delivery carriers, while as yet only in an experimental stage, is a success, for during the past year 625,946 applications were received under this system.

In addition to the exchange received, the post office and express companies have the use of millions of dollars, on which they absolutely pay no interest and on which they in turn are allowed interest by the banks in the money centers. You can get some idea of what this amounts to from the fact that the Bankers' Money Order Association of New York City has recently offered to furnish all blanks and all advertising matter absolutely free, the banks selling their money order to keep all exchange received from the sale thereof, remitting the association once a week for the face of the drafts. This association is not in business for its health, and should their plan work successfully, I have no doubt that they would have from ten to fifty millions on deposit or at their disposal all the time, and by loaning this they could make a handsome profit.

It is hard for us as business men to think of these vast transactions of the Post Office Department, which, as I believe, represent only about one-half of the money-order business in the United States, originating in institutions which are chartered to carry parcels and mail, leaving all the emoluments at the counters of Uncle Sam's post offices and the various express companies and nothing for the bankers, who have fully 90 per cent. of the work to perform in connection with the mission of the innocent-looking money order. In other words, "Jones pays the freight," and our name is Jones.

Solomon must have had the banking fraternity in mind when he uttered his famous ant proverb: "Go to the ant, thou sluggard; consider her ways and be wise: which having no guide, overseer or ruler, provideth her meat in the summer and gathereth her food in the harvest. How long wilt thou sleep, O sluggard? When wilt thou arise out of thy sleep?"

Is this a subject which is of interest to us as bankers? If so, is it not time to abandon useless talking and railing against the Government and express companies and cast about for some practical plan to reclaim our full share of this immense business? The competition from the Government is going to become more fierce as the years go by, as is shown by its efforts to accommodate the people with a money order sold at their doors by the rural free delivery carriers.

I should not waste your time nor mine did I not see the possibility of the reclamation of the money-order business through united action on the part of the bankers throughout this country.

In the first place, as practical business men let us decide to put a little of our energy into work and not all into talk. In looking over the reports of the American Bankers' Association and the different State associations, I have become convinced of the fact that our principal trouble up to date is that we have approached the subject from an impractical point of view. The addresses and talks have accomplished about as much result as did the darkey minister, about whom an old colored lady said on the morning following his first sermon, when she met another Aunty who had been detained from service and inquired as to what kind of a minister he was and what he preached about: "Oh, law; I dunno what he said, but you could 'aheard him holler mo'n a mile."

It is a waste of time and energy to talk about imposing a banking tax upon the different companies issuing express orders, as discussed at the last three meetings of the American Bankers' Association, for even should we accomplish this, after the course of some twenty or twenty-five years of diligent effort in Congress, we would still have our principal competitor, the Government, who would be entirely exempt from any taxation which any banker might devise. We must adopt the methods employed by the Government and express companies in building up their money-order business, if we wish to make a success of bank money orders.

Their first advantage arises from the fact that the Government and each express company has a chief executive who directs the work throughout the United States. As a result of this centralization of authority and power, his assistants are enabled, through the agencies of the magazines, mail-order houses, catalogue houses and jobbing firms, to flood the country with advertising matter which goes into the homes of millions of our people, until they have come to the conclusion that only three things are necessary to their complete welfare and happiness while on earth, namely, Uneeda biscuit, a bottle of Omega oil and a post office or express money order.

The post office money order is known from New York to California, and from Texas to Minnesota. The American Express order is known not only in this country, but is more popular abroad than many of our best banking firms' letters of credit, and so aggressive have the express companies become that they are now the most active competitors that the bankers of this country have in the purchase of foreign bills, thus showing that it is their intention not only to corral the domestic money-order business, but to reach out and dominate exchange matters with our foreign neighbors.

While the banker, good, simple easy soul, employs his time cashing and forwarding these orders, the entire force of the express and post office money-order departments is absorbed in issuing the orders and shipping the actual cash out of the country, where it is needed for current business, to the city, where it is not needed, to be in turn reshipped back to our busy friend, the banker, at his expense. This performance is repeated daily, and it may be that the express companies figure that it would be too much of a monopoly did they both sell and cash these orders, and for that reason do they share their labor but not their profits with us.

As compared with the Government and express companies with one executive head, we have over 17,000 banks in the United States, in which you will find as many different ways of doing business. For instance, you will find some bankers who do not believe in issuing drafts at all, but encourage their customers to use personal checks or go to the post office or express companies to buy their exchange, as they do not care to be bothered with the bookkeeping. In others you will find no charge made for exchange furnished the customers, and in still others you will find a nominal and in others an exorbitant charge.

Bank drafts are of all colors, shapes and sizes, some being works of art, while others more nearly resemble the old-fashioned family portrait album, in which the pictures of "Little Dottie" or "Grandfather Jones" occupy a considerable portion of the space allotted to the draft. They vary in size from the vest pocket edition to those of wall-paper dimensions, on which the bank is obliged to pay freight in transferring it to its final place of redemption.

It would seem advisable, in view of the variety of tastes and ideas regarding bank drafts, that the most artistic of our members come down a little from their high plane of living, and that the family portrait devotees omit emphasizing the facial peculiarities of their relatives on the drafts, and both classes arrive at some simple design which can be adopted by all the banks in the United States and which will be capable of becoming as well, if not better known than the post office and express money order of to-day.

The next important proposition is that the banks in the United States agree to a uniform rate at which they will sell money orders up to and including denominations of $100. There is a uniform charge made throughout the United States for the post office and express money order. A man, whether he be in New York or Oklahoma, knows what he is going to pay when he goes to the post office or the express company and buys a money order. A schedule of exchange having been arrived at, it will be very easy to adopt a uniform requisition blank which can be furnished newspapers, mail-order houses, jobbing houses and department stores in every distributing city in the United States, who will be very glad to use them in place of those of the post office and express companies, from the fact that the banks can afford to sell these orders at a handsome profit, at a cost that will not exceed one-half of what is now asked by the express and post office departments.

It is most important that this matter of a uniform charge for a bank money order or draft be settled, as we find in Minnesota in sending out the requisition blanks that they are not confined to the State of Minnesota, but go to the States of Wisconsin, Iowa, North and South Dakota and Montana, and without unity of action, it would only lead to confusion, as it would be embarrassing to the success of this work should a man present a requisition blank emanating from Minnesota to a bank in Montana and be told that they could not sell him a draft for ten or fifteen cents, but would have to charge him twenty-five cents. This would confuse the purchaser, and the next time he would be very apt to go to the express company or post office, where he knew absolutely that he could buy the order at the price advertised.

The Minnesota association has furnished the shipping houses, mail-order houses and newspapers in the Twin Cities with 250,000 of these application blanks, which are now sent out in place of the post office and express company requisitions. It is no trouble at all to induce the jobbers and merchants to use them. The manager of one of the largest seed houses in the Northwest told me that if the sale of bank money orders became general throughout the country, his firm would want 150,000 bank money order requisition blanks a year to enclose in their seed catalogues. We have had a number of similar statements made to us in Minnesota, and you can see the possibilities of advertising derived by the banks when the time shall arrive that these little slips will be sent broadcast throughout the country and the bank reap the benefit of the advertising now received by the post office and express companies.

In addition to the requisition blanks furnished, each member of the Minnesota Bankers' Association receives a number of large placards, with the red shield design, advertising money orders and giving the comparison between the cost of bank money orders and the express and post office money orders. Five thousand of these cards are tacked up in grocery stores, drug stores and banks in ever town and village in Minnesota. The city of Winona ordered a number of thousand of these placards to be made at their own expense, and have tacked them up on the fences on all roads leading to Winona and distributed them to the storekeepers in all the surrounding country.

Also we are beginning to use a large card advertising the bank money orders and containing a specimen of the order as sold by the banks. This will familiarize the people with the order and make them more liable to ask for it of their own free will.

The bankers in the smaller towns in Minnesota are most enthusiastic over the results obtained and are distributing, at their own expense, blotters and other matter bearing the red shield design, on which is also given the comparative prices of three different orders (bank, post office and express). The reason why our Minnesota bankers are enthusiastic is very plain to any one who gives it a thought. It is simply this, that the money order requisition blanks emanate from the cities, where there are jobbing and mail-order houses, and are forwarded to the country where the people live who buy the goods. Necessarily the goods must be paid for in the country where they are bought, and it is the country banker who sees the express company and post office walking off with business which should be taken care of by himself.

We have tried to go about this proposition in Minnesota in a common-sense and business-like way, and what has been accomplished by one State can be accomplished by others. That the bankers of the country are thinking seriously of this proposition is shown by the fact that the State of Texas has been agitating this subject for several years, and in the States of Texas, Minnesota, Missouri, North Dakota, Virginia, Tennessee, Iowa and Wisconsin committees have been appointed, with power to select a design for an order, and the feeling in all of these States is that uniformity in advertising matter, and if possible in design of the order itself, should be observed.

It is a hopeful sign that the New York association should devote time to the discussion of this question. The way to solve the problem properly would be for these various committees appointed by the different associations to meet in convention and adopt a uniform design, uniform rates of exchange and uniform advertising matter. This could be accomplished under the auspices of the American Bankers' Association, or if that should be deemed an impractical plan, a call could be issued for such a meeting, independent of that association. There is no xuestion but that the proper organization to push this work and obtain the best results is the American Bankers' Association. They have the machinery and officers who are paid salaries to " promote the general welfare and usefulness of the banks and banking institutions and secure uniformity of action." It is a pertinent query why this association has has not already taken up this subject and brought it to a successful and profitable conclusion long ere this. They have the money to pay for advertising matter and to follow the lead of the post offices and express companies in furnishing requests for bank drafts or bank money orders, and it should have been done long ago.

We believe in our State that the way to accomplish results is to go after what we want in a businesslike and methodical manner and not waste our time in useless harangues on unimportant details. Our programme in regard to bank money orders was so arranged at our last convention as to bring out the following remarks from a prominent Iowa banker who is greatly interested in the subject:

"The proceedings of the Minnesota Bank Money Order Association received and read with interest. From the convincing addresses made there, it looks as though you had arranged the programme with the idea of making converts of even the most skeptical on the subject of bank money orders. If you had given your ministers a tip so that they would have mentioned the subject in their prayers, I think arrangements could have been made to have had these orders honored at the courts of St. Peter for passage tickets to the happy hunting grounds."

I replied to this in part by stating that this idea had not occurred to us, but if the different associations in the country took the work up in an intelligent and earnest manner, it would not be long before we would have to furnish some sort of transportation tickets to the express agents and postmasters who are at present selling money orders and who will soon have to retire for lack of business. At the end of two years their orders will not be well enough known for passage tickets, and we will then have to furnish them with bank money orders so that there will be no question but that the passengers will reach their final destination.

We have accomplished practical results. We have a uniform design for a bank money order, adopted by our committee at the close of our St. Paul convention. One of our lithographing houses in St. Paul advised me that they have already fitted out fifty-five banks with this order. Reports for them are coming in daily to the lithographing houses and inquiries concerning them are received from every State in the Union. All this notwithstanding the fact that the report of the committee who selected the design has been out only about a month. We felt that it was best to make the order as simple and as near like a bank draft as possible, for the reason that we want these orders redeemed and out of the way. We believed that the action of the Government in making their orders payable at a certain point a wise one. Their form was copied after the bank draft, and we could see no reason to make a complicated looking affair of a money order by putting on it the names of ten or twelve payee banks.

The associations in the States previously mentioned which have committes on uniform orders, are all at work, and there is a small cloud on the horizon, no larger than a man's hand, which bids fair to increase in size until enough public sentiment and feeling is worked up among the bankers to give them back-bone energy to reclaim the business lost through their shiftlessness and indifferences.

I can only say that the possibilities of this plan are greater than the casual observer would believe, and in this connection I am reminded of the old German in one of our Western conventions, who at the close of an interesting address on asset currency and branch banking, arose and in an excited manner exclaimed: "Mr. Fowler! Mr. Fowler! I have a schemier scheme as you have got," and then proceeded with an argument in favor of guaranteeing deposits in banks. The question of the insurance of these bank money orders is not a new one to those who have looked into the matter of banks issuing asset currency, and I believe it to be a practical plan that if these bank money orders can be issued they would be as good, if not better than the greenbacks of our country and would give us an elastic currency that would serve to a great degree the needs of our growing commerce. This, however, is a matter entirely foreign to the subject of the reclamation of the money-order business of the United States by our banking institutions.

To transpose a proverb and make it fit the case we can say: "There be three things which go well, yea four are comely in going—a uniform draft which is well known among men and taketh not a back seat for any; a requisition blank which girdleth the earth; a uniform price which holdeth the trade; and a uniform charge for services rendered our dilligent competitors."

It is our present intention, when we have once introduced our bank money order and given the people an opportunity to buy them at less than they can purchase a post office or express money order, to make a charge for every post office and express money order issued from a town which has banking facilities, cashed over the counter or deposited by a customer. Action would have been taken on this matter in Minnesota this year were it not for the fact that we deemed it best to thoroughly advertise and push the sale of these orders and get them introduced before we made a charge for our services in the cashing and transferring post office and express money orders, so that eventually we will receive our share of the profits, whether our competitors or we ourselves sell the order. This is but just, when we remember that in addition to the work involved we are furnishing the capital with which our competitors do business.

In this discussion I have entirely eliminated one fact, and that is that when the people become educated concerning the function of a bank, the deposits of the banks in this country will be increased many fold. A practical way to do this is to have bank money order slips, directing the farmers, merchants, store-keepers and factory hands to take the enclosed bank money order requisition blank to the bank and purchase a bank money order in remitting for goods sent by the house forwarding the slip. This would get these parties in the habit of going into the bank, and the banks would reap the benefit in time of the deposits of this class of people, which in the aggregate will amount to many million dollars.

It is entirely practical for us to build up a business that will impress the post office and express companies of this country with much the same awe and confusion as was evidenced by an Irishman upon his first sight of St. Patrick's Cathedral in New York city. He was astonished at the size and magnificence of the structure, and stopping in amazement, he said to his old friend Pat, who was showing him around. "Pat, this beats the divil." "Shure, that's the intintion," said Pat. If my short talk to you to-day will help to accomplish this same result, I shall be more than satisfied.

On motion, a vote of thanks was tendered to Mr. Chapman for his interesting address.

THE PRESIDENT: The following letter has been received from our old friend at Pawling, who has never missed a meeting of this association:

I had intended to attend the meeting of the N.Y. State Bankers' Association to be held on September 10 and 11, but last night I found it was absolutely impossible for me to get away owing to business engagements; consequently the National Bank of Pawling will not be represented at the meeting.

I regret exceedingly my inability to attend, and hope you will have a full attendance and an instructive meeting.

Very truly yours,

J. B. DUTCHER.

THE PRESIDENT: The following telegram has just been received:

New York State Bankers' Association, Saratoga Springs, N. Y.:

Niagara Falls extends a most cordial invitation for next year's meeting. Free hall, reasonable hotel rates, every co-operation given. Mayor and common council join in this invitation.

The committee have arranged for short five-minute speeches upon the questions which come before us in the report of the council of administration, and, following Mr. Chapman's address, the next gentleman who will occupy five minutes will be Mr. Lewis E. Pierson, speaking on the same subject.

ADDRESS OF LEWIS E. PIERSON, VICE-PRESIDENT NEW YORK NATIONAL EXCHANGE BANK.

Mr. President and Gentlemen—Encouraged by the remarkable success of banks in other parts of the country in advertising and issuing bank money orders, and seeing no good reason why a bank in New York city should not do the same and lend its active support to this movement, our bank before issuing its initial money order three months ago mailed specimens to banks throughout the country to ascertain if they would cash our money orders as readily, at least, as they did those of the post office and the express companies. The responses were most surprising and gratifying. Out of nearly four thousand replies received we were unanimously advised that they would gladly cash our orders. Answering our query as to whether they would work with other banks to have bank money orders universally used, fully eighty per cent. were favorable, the rest having evidently not paid much attention to the subject. Of those favorable fully one-quarter were enthusiastic and many voiced pertinent points in their letters—a few of which I have picked out at random and they are, as you will notice, from all over the United States.

The First National Bank of Winsted, Conn., write:

"To show you that we have had the scheme in mind, I enclose circular and form of order which I sent out in 1897. To work well the whole country should be included."

And the circular mentioned and the form of order referred to I have here, which any member can see by stepping up to the desk.

J. D. Spearman & Company, Bankers, of Springfield, Nebraska, write:

"We perfected a bank money-order system of our own in the month of March, 1900. The first order sold was our No. 1, dated April 28, 1901. Since then we have sold over two thousand. We received for them on an average of 8⅛ cents in exchange, or in other words, we received forty-five cents for every $100 in money order exchange that we sold.

Our orders are all sold for small amounts, none over $50. As a side issue it has made us $100 per year net since we commenced. Of course that is not very much, but it is just $100 that we would not have had without the money order. Besides, we have sold a great number of drafts for larger amounts to people who were drawn to us by the money order advertisement, and have made a considerable number of customers through that agency. As we only have two correspondent banks, and those in the West, we are not in a position to give a wide range of places of redemption, but we have never had an order discounted from Maine to California and from the Gulf to the British Possessions. We have sold them to go everywhere. Express companies have done the advertising; now we can, by placing money orders on our counters, reap the benefit. We have always found that it paid to give people what they wanted."

The Citizens' Banking and Trust Company, of Sandusky, Ohio, write:

"We have been selling our drafts on New York for a long time as money orders, and by sending out the enclosed circular have worked up quite a business."

Sioux Falls Savings Bank, of Sioux Falls, South Dakota, write:

"We realize that a great many people seem to think, before an instrument is good, it must have the word 'order' written on it: and I also realize that if a person could sell these things, there is a whole lot more money in it to the bank issuing the same than in the plain, straight draft."

The First National Bank of Loudonville, of Loudonville, Ohio, write:

"We have for some years looked with amazement upon the inertness of the State banking associations along the line of protection to the banking interests, and have written letters urging that some action be taken and have refused to join the Ohio association on that account. Uncle Sam and the express companies are the greatest 'kiters' on earth, and are enabled to carry overdrafts by country banks bearing the burden. By all means push the matter and we are with you."

The Inter-State National Bank, of Kansas City, Kansas, write:

"I believe so far as it goes it is a good idea, but it is too limited in its scope. Money-order systems as adopted by the associations in Minnesota and possibly California hit the nail on the head. In other words, I believe that every member of the bankers' association of certain States should be willing to cash at par any check upon any other member of the State association, for this is practically what is accomplished by express money orders. You have no doubt attended many conventions of bankers' associations, both State and National, and if any such conventions has ever adjourned without 'resoluting' against express and post office money orders I don't know it, but all without success. If bankers all over the United States could take unanimous action, there could be no question as to the result."

The Exchange Bank, of Glendive, Montana, write:

"Express and post office money orders have taken eighty-five per cent. of the bank's business in this line, and the only drafts issued by us in this line you speak of are from our regular customers where no charge is made for same. We should be very happy indeed to get this business in the hands of the banks of the country, where it belongs. We will do anything in our power to bring this about."

The Weleetka National Bank, of Weleetka, I. T., say:

"I have been thinking of this matter for some time, and have had the fact demonstrated to me time and time again, owing to the fact that the post office in this town is located in the rear of our banking-house, and I know of time after time that parties have come to the bank to get their checks cashed, then walked directly to the post office and buy a money order. Therefore you see we have had ample opportunity to fully realize the necessity of a money-order system, and will gladly do what we can to advance the cause."

The Dominion National Bank, of Bristol, Va.-Tenn., say:

"The Tennessee Bankers' Association adopted the plan and appointed a committee instructing them to have neccessary forms, posters, etc., prepared and distributed to members in order to put the plan under way as soon as possible.

The Virginia Bankers' Association adopted a similar report and passed a resolution placing the matter in the hands of the executive committee with power to act.

The scheme contemplates the use of money drafts, uniform in appearance, to be used by all banks who are members, and to be issued and handled by them in the same manner as their regular New York drafts or other exchanges are now being handled, requiring no additional accounts or entries other than they now make in issuing their New York drafts or other exchanges.

The banks do not have to provide extra stationery—keep no extra account—their work is not increased, and they will enjoy an increased sale of exchange because of the united efforts in advertising.

It is better to sell, advertise and label our exchange for these small remittances, bank money orders (which have been found successful) than to consume time and patience in attempting to explain and convince money order remitters that a draft is the same thing but better than a post office money order.

The Bank of Equality, of Equality, Ill., say:

"I have advertised bank drafts as money orders for the past seven years, and believe I am the first to do so."

THE PRESIDENT: The next speaker upon this subject will be Mr. E. O. Eldredge, after which the association will be ready to listen to remarks from any other member.

ADDRESS OF E. O. ELDREDGE, CASHIER OWEGO NATIONAL BANK.

Mr. President, Ladies and Gentlemen—That the bankers of the State and city of New York are clever, that they are astute, that they are able in every walk of life, and second to none in the world in the pursuit of the avocation which they have chosen is, I believe, a statement which none will attempt to gainsay.

They are masters in all arts connected with and pertaining to that which "makes the mare go," whether she have a tail or not.

They are able to finance a railroad or a Government building; they are, and have to be, equally able to judge the quality of a lead pencil.

The idea which I wish to convey is that the banker of to-day is not only a man of breadth, able to conceive large things, but is as well a man familiar with and not above attention to the smallest detail.

This brings me to say that somewhere in his perspective the banker of New York State, in company with most of his fellows in the United States, has failed to comprehend the importance of and to get hold of one of the things which is and should be purely a banking function—namely, the money order.

He has allowed to grow up under his very eyes and nose, until it has become an eye-sore and a nuisance, a system for the transmission of funds which is popular with the public and profitable to the projectors, while he sits by and lets the other fellow get the revenue for the service which is and by right ought to be properly his own.

We have no quarrel with the express companies, and certainly none with our great and good Government, of which we are a part.

My understanding is that the express companies' enormous money-order business is the evolution of an attempt to be useful in a way which some clever mind suggested as being possibly of advantage in a narrow field.

We have no thought of the vastness of to-day's operations in this line, nor the undertaking to usurp a banking function. Therefore, I say that we, as bankers, have only ourselves to blame for not taking advantage of what has laid and does lie at our very doors.

The gentlemen who have spoken have given you intelligent information as to what has been accomplished by some individual banks and by concerted action on the part of certain State associations. I simply want to say further that as soon as you come to give serious thought to the subject I think you will find that the real secret of the success, particularly of the express companies, in the issue and sale of money orders, is in the name. A money order is known to everybody. A bank draft or exchange on New York is known to comparatively few. A check is the privilege of him or her who has money to deposit in banks. The people who buy money orders are largely strangers to this privilege.

The question arises, shall those of us who choose to do so issue our individual bank money orders, making such arrangement as we can for their payment at certain points, or will we as a State association formulate a plan which shall have uniformity, be approved by the association, and therefore by every loyal member of the association who would be glad to see his creature succeed and would be twice glad of the increased revenue to himself.

This latter seems to me to be the wise and economical method.

THE PRESIDENT: The matter is now open for general discussion by any member.

C. E. LEAVY, of New York: I have listened with a great deal of attention to what has been said on this subject. That the money order system is an excellent one and will alike be beneficial not only to the banks, but to the people at large, is agreed by us all; but the trouble is that the money-order system, like a great many other systems in vogue, does not meet unanimity of action among the banks. In order to make this system a success, there should be an agreement between all the banks of the country that they will cash these orders at par. There should also be a regular form adopted by all. If this were done the banks throughout the country would not only render a great service to their customers, but they would receive deposits from many people who keep their deposit either locked up or put away where they are not available and where they are not of any merit. I think the association should strive to bring about a system of money orders, and that the secretary should address a communication to the various members of the association and see if some plan cannot be devised by which this may be brought about.

H. L. CRANDELL, of Jamaica: I would like to make a suggestion here along the line of the remarks which have been made, all of which, I believe, are in the right direction, but yet they fall a little short in one particular. Any action that is contemplated by the bankers individually, although they may co-operate and agree in the convention to cash each others' drafts, will fail in time of stress, when the express companies' money orders and the post office money orders become most popular. I think Mr. Chapman can recall the time when he and his bank were not very particular to cash drafts on neighboring banks. I know that was the trouble in a large part of the country, and during that time the remark was often made that no express money order had ever been defaulted on or any post office order; and to my own knowledge people would go to the post office and to the express offices and buy money orders and put them in their pocket rather than to deposit the money in bank. The reputation established by the post office department and express companies for promptness and safety with which the business has always been handled has always been the strong point in developing the business that they are now reaping the benefit of. I think any system, in order to successfully compete with the post office department and with the express companies for this money order business, must combine some plan of redemption of money orders of a bank that has been closed temporarily or that has become insolvent.

JOSEPH CHAPMAN, Jr.: Allow me to say in reply to what the gentleman has said, Mr. President, that if we delayed action on any matter until everything was just exactly to our own liking, and to what we thought was the ideal point, nothing would ever be accomplished in this world. We must get at this proposition and let it evolute the way other things have done in this country. When the time comes that a demand is made that these orders shall be guaranteed they will be guaranteed; but I think at this present time, if we want to delay action on this matter and get the people suspicious about our banking institutions, we want to make important this one fact that has been spoken of by the last speaker—a fact that has been emphasized very strongly by the express companies. I have not the statistics of failed banks, but I think we can all agree on one point, and that is that the number that have failed and caused a loss to their depositors has been infinitely small in comparison with the number of banking institutions in the country, and when we consider that those money orders are to be limited to the sum of $50 or $100, the loss, in case some individual bank should fail, would not be very great; and, as I stated in my talk here, I believe it to be an entirely practicable and feasible plan that these drafts can be insured. In fact, one of the largest assurance and fidelity companies in the country has recently brought out a check of this very kind, which will be paid at the bank at which it is issued, but they intend to charge an exorbitant price for the drafts, and it will only be popular among people who travel. The kind of people that I would like to reach is the class who are paying for goods in the cities. That is the kind of business I want to reach. If anybody is suspicious of a bank money order, let him go and get the express money order, but we will reach nine-tenths of the business of the country if those orders are sent out by jobbers to their correspondents all over the country with the request that they take those little slips to the bank. I believe what the last speaker suggested is important, but I do not think it is the all-important thing at this time. There is no use of insuring anything until we get something to insure.

H. F. SAMMIS, of Huntington: There is an old adage that between two stools a body comes to the ground. In other words, that what is everybody's business is nobody's business. Now, to expedite matters on this subject, I move that a committee of five be appointed by the president to consider this matter and report something back upon which definite action may be taken.

THE PRESIDENT: The Chair must rule that that motion will come up more properly at the session to morrow.

G. W. HANNAHS, of Adams: I would like to correct one statement made by the gentleman from Jamaica. He stated that express company money orders were never defaulted. Now, I live in a small town of about 1,500 inhabitants. We get at our bank a great many of these express money orders, and I never have sent those orders in to the express office, when they exceeded fifty dollars in amount, that the express office was able to pay them at once. Less than two weeks ago I sent in two orders to the express company for collection amounting to less that $36, and they were not able to pay them; they hadn't the money at hand just at that moment. Why do not the banks treat those express orders as they treat checks? In other words, protest them.

The money order that the Pulaski National Bank adopted is, it seems to me, the most feasible that has been presented yet. It is practically a New York draft; the New York correspondent gets the benefit of it as well as the issuing bank. Now, if there is a committee to be appointed for the purpose of formulating some style of money order, I would suggest that they confer with Mr. Clark in regard to these orders. I think there ought to be something adopted here by which our members can refuse to cash these express orders unless they receive payment for them just as promptly as they would expect to receive payment of a foreign draft. By doing something of that sort, we will drive the express companies out of the money-order business.

A. H. CURTIS, of New York: I have been in the bank business about twenty-seven years, and this is my first appearance at a bankers' convention, and I hesitate to make any extended remarks; but a matter has suggested itself to my mind which I think would be of some interest while we are considering this subject, which, if we were to undertake it in earnest, would be of great benefit to every bank in the country. It is the idea of having, not exactly a black list, but a bureau of information, in regard to people who come to us to do business in one way and another. I think this is a matter that the executive committee of this association should take into consideration and look into with a view to developing some plan by which such a bureau might be established.

I might say that a few years ago, when I was paying teller of the Bank of New York, a man came in one day with a check for $21,000, which he wanted cashed in twenty-one thousand dollar bills. Of course I knew the man, and as I handed out the money to him he turned away without waiting to count it. The check went through the clearing-house all right, but the day afterwards the Washington bank on which it was drawn closed its doors. That man was John H. Silver. Years afterwards he got William J. Quinlan, of the Chemical Bank to loan him over $200,000 on securities which he was floating and which turned out to be utterly worthless, and which cost poor Quinlan his position in the bank. Within a year or so this promoter got over a million dollars from different banks on worthless collateral. Yet, within a few weeks thereafter he was able to go into one of our big trust companies and get a note for $75,000 discounted. So, you see, if we had had a little list of such men, we could all have been informed at a glance what that man's record was. Do you suppose George H. Pell could have closed up the Sixth National Bank if they had known what his record was?

There are scores of just such instances that I could give you, all or many of which could have been avoided if we had such a bureau of information as I speak of, and which could be instituted if we got together and chipped in $15 or $25 apiece to employ a good man to keep a record of these men, whether they be promoters or shovers of worthless securities, or what not.

THE PRESIDENT: Is there any further discussion on any of the subjects that have been brought out? If not, I would beg to state that we are honored to day in having with us Mr. Perry, of Jacksonville, Fla., and we also have with us Mr. B. J. Brown, of Little Rock, former president of the Arkansas Bankers' Association, and I hope the members of our association will endeavor to make the visit of these gentlemen as agreeable as possible.

The convention then took a recess until Friday morning at 10 o'clock.

SECOND DAY'S PROCEEDINGS.

FRIDAY, September 11, 1903.

The second day's proceedings were opened with prayer by Rev. William Durant, D.D., of Saratoga Springs.

THE PRESIDENT: The first order of business this morning is reports of special committees. The only special committee to report, I believe, is the auditing committee. Is Mr. Donald, the chairman of that committee, present? He does not seem to be here. Therefore, we will pass that report for the present.

Acting Secretary Pierson read a letter from F. J. Seaver, Bank Superintendent Kilburn's private secretary, announcing Mr. Kilburn's inability to be present at the convention.

THE PRESIDENT: I have received a communication from a well-known law firm in New York, who are counsel for our bank, in which they have raised a very important question, which I think we can refer to the council of administration for consideration. I will ask the secretary to read it.

Acting Secretary Pierson then read the following:

September 9, 1903.

Hon. Stephen M. Griswold, President N. Y. State Bankers' Association, Saratoga Springs, N.Y.:

DEAR SIR: A case reported in 171 New York Reports, at page 219 (Critten vs. Chemical National Bank), shows the possibility of a bank being mulcted for damages arising out of a series of raised checks.

A clerk filled out checks to the order of creditors of his employer, presented them to his employer for signature, and then with acid erased the name of the payee, inserting the word cash in its place, and raised the amount of the check. He then drew the money and paid the bills in cash. Each time the pass-book was balanced it was verified by this same clerk, and this continued for about two years, when, he being absent, and the duty devolving upon another employee, the fraud was discovered.

The bank was obliged to make good the greater part of the money thus stolen.

This is a situation which banks are obliged at all times to meet, and are held liable by the courts unless they can show negligence on the part of the customer.

In order to avoid this danger why not bring up for discussion the passage of a statutory amendment fixing a time, for instance, ninety days, within which claims of this kind could be prosecuted against banks, the time to run, say, from balancing of pass-book.

This would tend to prevent a large loss, as a bank could protect itself in a measure by insisting upon frequent balancing of pass-books.

THE PRESIDENT: It would be a great protection to the banks, I think, if the Legislature should amend the law as suggested, and it seems to me that this is a matter which should very properly be referred to the council of administration for consideration.

EDWARD ELSWORTH: I move that it be so referred.

BRADFORD RHODES, of New York: I second the motion.

MR. ELSWORTH: Now that the motion has been seconded, I desire to say just a word on the subject. I happened to have some matters pending before the last Legislature, and I was in Albany several times during the session, and I know it seemed to be utterly impossible to get through any legislation on behalf of banks. Now, the Savings Banks Association have a man in Albany all the time while the Legislature is in session looking after its interests, and I think this association ought to do likewise. I would, therefore, couple, with my motion a recommendation that that matter be also considered by the council of administration.

LEO SCHLESINGER: I would like to add a few words to what the previous speaker has said from personal experience that I had last winter in Albany. I went there before the committee on banking regarding the question of a reserve to be kept by the trust companies. I went there single-handed and alone. I met against me quite a number of representatives of trust companies who were trying to oppose what I was trying to do.

I certainly think if this association should employ a competent man in Albany to look after the interest of our banks it would be a great advantage to it.

The matter spoken of in the letter that has just been read is something that we need to give our immediate attention to. We had a case that came up in our bank last week. A corporation, where the president and vice-president were each empowered to sign checks, and when the president came to open the account he introduced the vice-president to draw money. The vice-president being dishonest issued a lot of checks to fictitious names, raised some of the checks and came to the bank with the indorsements of the parties to whom these checks purported to be made payable, and drew the money, amounting to some $1,700. The corporation discovered the fraud on the part of its vice-president, but by reason of his having been introduced to us the way he was by the president, and being one of the principals, we were exempted from paying back any of his peculations.

I think if a law could be established whereby after a pass-book has been balanced the customer must, within a certain reasonable period, notify the bank of any irregularity, a great deal of money could be saved to the banks.

This organization should by all means have some person at Albany to look after its interests. The council of administration have plenty of other work to do, but they could employ a person for the purpose. I think by imposing an extra tax of five dollars or so on each bank in this association we could engage a very competent man to look after the legislative end of affairs.

THE PRESIDENT: Is there any further discussion of the motion that has been made? If not, I will put the question. All those in favor of the motion will say aye; those opposed, no. Carried.

I see that Mr. Donald has come in, and I will call upon him to present the report of the auditing committee.

JAMES M. DONALD, of New York: Mr. President, we have handed up to the Acting Secretary our report, which I will ask him to read.

ACTING SECRETARY PIERSON (reading):

September 11, 1903.

We hereby certify that we have examined the accounts of the Treasurer of the New York State Bankers' Association and the vouchers of the expenditures therein stated, and find them correct.

(Signed) JAMES M. DONALD, F. E. LYFORD,
F. C. HAVILAND, *Committee.*

On motion of David Cromwell the report was received and the committee discharged, and the report of the treasurer was approved and placed on file.

THE PRESIDENT: The next business in order is the fixing of the place for holding our next annual convention.

On motion of Leo Schlesinger, the council of administration was empowered to select the place for holding the next convention, and it was also suggested that the time for the convention be fixed about a week or ten days earlier than this year's meeting.

THE PRESIDENT: It is usual at this time to pass a vote of thanks to the gentlemen who compose the committee of arrangements. They have worked in season and out of season untiringly and faithfully, and they prepared every detail of this convention, which I believe is one of the most successful we have ever had.

THOMAS YOUNG, of Huntington: Following the suggestion of the Chair, I move that the thanks of this association be and they are hereby extended to the committee of arrangements for their most splendid work in arranging and carrying out the various details which have made this convention one of the most pleasant ever held.

The motion was seconded by E. A. Groesbeck, of Albany, and was carried by a unanimous vote.

THE PRESIDENT: Although we are much disappointed in not having Mr. Kilburn here, we have Mr. Elliott C. McDougal, of Buffalo, who has consented to step into the breach at the last moment, and he will speak to us on the subject upon which we had hoped to hear from Mr. Kilburn. I take pleasure in introducing Mr. McDougal.

ADDRESS OF ELLIOTT C. MCDOUGAL, PRESIDENT OF THE BANK OF BUFFALO.

Mr. President, Ladies and Gentlemen—Questions involved in the practice of paying interest on individual deposits are not questions that can be determined from first principles. Concerning them no man may say to another "I am right, you are wrong." Should one say the question, "Is it right to steal" is a debatable one, that the question "Is it right to commit murder" is a debatable one, no one would hesitate to say, "you are wrong." Should one say the question "Is it right to lie" is a debatable one, no one here would hesitate to say, that although from time immemorial casuists have held that under certain conditions to lie is not only permissible, but a duty, the consensus of opinion is, and always will be, that to lie is wrong. Turning to another question that confronts us daily, we have no difficulty in calling to mind many concerning which practically no difference of opinion exists.

Not so with the question before us. Between the position of the banker who says that to pay interest on any class of deposits is bad practice, and unequivocally wrong, and the position of the banker who says that deposits should be taken at any rate of interest offered by a competitor, that no business at any price should be allowed to get away; between these extremes lie numberless other positions. Occupying these positions will doubtless be found at least ninety per cent. of the gentlemen here to-day. Now, let any gentleman of this ninety per cent. state his exact position, covering fully its essential points. What percentage of this audience would exactly agree with him on every point? Would ten per cent.? You doubt it. But there is one point on which I will assume we all agree, and which we can take as a basis for further discussion. To pay interest on daily balances is wrong in principle, and unsafe in practice. But, you may say, it is not necessary for us to come to Saratoga to hear this. We have known it ever since we first took up banking as a profession, although we confess that our practice would never have caused our knowledge to be suspected. Yes, we have known it so long, and we have become so accustomed to the situation, that we have come to regard it as something permanent, something much to be regretted, but unchangeable.

Now, if any discussion can convince us that we are mistaken, that it rests with ourselves, (and with whom also does it rest) if not entirely to change at least materially to improve these conditions; if we can be brought to realize that the question is not a dead one, not a purely academic one, but that it is a live question, a vital one, and not a hopeless one, our time here will not be wasted. We all know why we pay interest. We all know the various forms of competition which make that interest excessive. Practically, all know that often we are forced, against our better judgment, to make concessions that we would not otherwise make. It is idle to discuss the question, which, with a branch banking system such as all other civilized countries enjoy, we should have drifted into our present unscientific banking methods.

We must deal with conditions as they are. There is no prospect that Congress will even carefully consider any bill radically changing our banking laws. Should the improbable happen, should Congress pass a bill authorizing National banks to have branches, most of us would either lose our positions or become subordinate officers in larger banks, probably with reduced salaries. I do not think you would thank me for even hinting at such a possibility. I would be in the position of a colored preacher who was nearing the conclusion of a most successful revival season, during which many converts had been made. In the midst of a most eloquent peroration, which apparently very much impressed his hearers, and was finally convincing a number who up to that time had been obdurate, he most inadvertently touched on the sin of chicken-stealing. In the language of one of the audience, "It frowed a coldness ober de whole meeting."

It is not equitable, and it is not safe, that to the expense involved in handling a heavy mercantile account, should be added a large interest charge, that the narrow margin of profit on such an account should be cut down, or more probably entirely wiped out, or as is often the case converted into an actual loss. Some time since a banking officer was approached by a gentleman who wished to change his bank account. He had stock in the bank where he kept his account. He had received no dividends for several years, did not like the management and preferred to transfer his account, which was a very active one, providing he was granted terms equal to those he then enjoyed, namely, three per cent. on balances and foreign items, of which he had an unusual number, free. To an inquiry as to how he could expect dividends from a bank doing business on such terms, he gave no satisfactory answer, but when his bank failed he had no difficulty in driving a hard bargain with a competitor.

More than once a bank in this State has lost accounts to competitors because it would not allow four per cent. on daily balances and foreign items free. Does any gentleman here believe that there is anything but loss in such an account? Does not every gentleman here believe that the more such accounts a bank has the worse off it will be at each year's end? But loss does not end here. Such loss, although a constant drain on the life-blood of a bank, concerns only its stockholders, and rarely leads to a catastrophe by which depositors suffer. Such methods lead to the accumulation of a line of deposits beyond what the legitimate needs of the bank's borrowers require. The bank thus develops a poorly-balanced business. The interest charge on the deposit line is constant. The bank must employ its deposits, must employ them at a good round rate of interest, must employ them fully at all seasons. Therein lies the danger, and no theoretical danger, but a real and ever-present one, as I know from my own personal observation of the experience of a number of banks in a city of this State: which as my fellow delegates from Group I can testify, went down in ruin; all of which might have been running to-day had they paid a low rate of interest or none, and had they held only deposits enough to care for their legitimate business.

A large deposit line, attracted by high interest rates, is a source of weakness, not of strength. One of its consequences is constant temptation to grant excessive lines of credit, resulting in the gradual accumulation of a line of dead paper, practically the forcing of the bank into partnership with many of its customers; with what disastrous results most bankers know. A bank with such a deposit line cannot discount exceptionally good live paper at low rates: such paper naturally seeks the cheapest market as surely as water seeks its level, leaving to the bank a poorer class of dead paper. Very recently a case came to my knowledge in which certain excessive and unsafe lines of credit were granted by a certain bank to outside concerns having no natural relation to or connection with the bank's ordinary business and which caused losses enough to absorb an entire year's profits. The granting of these lines of credit could only be accounted for on the theory that the increase of deposits attracted by high rates of interest inspired by jealousy of the growth of the total figures of a rival, called for an interest charge producing a constant temptation to take undue risks. From that temptation the banker who pays no interest or only such interest as is necessary to provide for the needs of a carefully-conducted business, is free. When we shall adopt as our motto, "Not how large, but how good," we shall take the first step towards improvement.

THE MANIA FOR BIG FIGURES.

What is the chief end of a banker? To publish larger totals than his neighbor? You will not answer yes, but the practice of many of us answers yes. At the present time there exists among bankers a mania for what we call big figures. We want big figures in a hurry, and the surest and quickest way to get them is to pay a higher rate of interest than our neighbors. Our neighbors soon know our rates, and generally meet them. Then we raise again, and if we are really enterprising modern bankers, we keep up the process until we get the deposits. Right here let me say that we should welcome everything modern in the way of lighter and healthier offices, devices to facilitate the transaction of business and to enable us to give our dealers the very best service. But as to the vital principles which underlie financial transactions, there is nothing modern. We know no more concerning them than knew the men who centuries ago founded the Bank of Venice, and we know as much as will be known by our successors hundreds of years hence. To show that there is little but glory in "big figures" subject to a high interest charge, take a deposit of $1,000,000, on which a bank pays four per cent.—and four per cent. is no uncommon rate—admit that the accounts composing it are inactive, of the class concerning which it is frequently argued a bank can afford to pay four per cent.; and that the expense of keeping them is nominal. This money must be employed and the expense of keeping officers and discount clerks is not nominal. Certainly the risk is not nominal. Suppose we allow only twenty per cent. for reserve, which is low enough, and, in many cases, too low. The calculations work out as follows:

$800,000 at six per cent. for one year (and many discount lines do not average that) produces	$48,000
$200,000 reserve, half in vault and half with reserve agent at 2 per cent	2,000
Making total return	$50,000
$100,000 at four per cent. costs	40,000
Leaving as a year's apparent return on a deposit line of $1,000,000	$10,000

Out of this must come its proportion of expenses applicable to officers and discount departments, all bad debts in the $800,000 discount line, and its proportion of dividends. What is left goes to surplus. With a twenty-five per cent. reserve the apparent net return would be only $7,500. Will any gentlemen here claim that this is safe banking? Now, take an active account, add the expense of keeping it, and the cost of foreign items taken at par, and how much worse is the result. As to the right of a bank to charge for its services pure and simple, that question does not come within the scope of this article, and besides we have forgotten that the services of a bank were ever considered worth anything.

It is probable that the present exceptional conditions in the money market will not long continue, and that the average return on good live discount lines will sink to five per cent. With a four per cent. deposit line that would mean ruin, and unless interest rates were reduced not merely to three per cent., but below, the situation would remain practically as shown by the above calculations.

I have made it a point from time to time to talk with bankers from all parts of this State. Some think that no interest should be paid on individual deposits. They have an ideal which, if it could be realized, would make banking much safer, and would without doubt be for the good of every business community. Others think that to pay interest on good quiet accounts is not only permissible but desirable. All appear to agree that no interest should be paid on active checking accounts, or, in other words, on daily balances. All agree that the practice of paying interest on deposits as it exists to-day has grown into a gigantic abuse, which, speaking soberly and without exaggeration, seriously threatens the solvency of many of our banks.

CORRECTION OF EXISTING ABUSES.

Now, as to the remedy, and now I approach dangerous ground; so long as one only criticises, he is safe; let him propose a remedy, and he becomes a fair object of attack. We are indifferent to the man who pulls down, but woe to him who attempts to build.

While we should never lose sight of our ideals, of which bankers unfortunately have too few, as practical bankers, looking for results, we must first consider them. We must not allow our ideal, however just and high, to blind us to what may be done in a humbler and more practical way. As we all agree that the present practice is dangerous, that it has led to disaster in the past and will, if persisted in, lead to fresh disaster in the future, what shall be our standard? The ideal standard is "no interest on individual deposits." On that ideal we cannot agree. Let us adopt this most reasonable and practical standard, "excessive interest to none, no interest on daily balances."

Bankers should have some rule of conduct. One of them should be that no unfair discrimination should be shown. The above standard, adopted and thoroughly carried out on this principle, will work great improvement, at the same time we will have the consciousness that we are dealing honestly with our customers. If we have not ordinary common sense enough to do this, I have only one more remedy to propose, which is in the nature of a forlorn hope. Treat all our accounts alike. Pay interest on daily balances, on all. Then, as balances are paid for, and as one man's money is as good as another, and as large balances receive an equivalent in interest, make collection rates uniform to large and small alike. I ask you, is this not at least consistent? So radical a change would put such a burden on banks that the average rate of interest allowed on the total deposit line would inevitably be quickly reduced or a large proportion of our banks would fail. There is one thing to be said concerning this plan. It would operate. While banks are slow to follow the lead of one of their number who propose to reduce the amount of the annual interest charge, they would, unless the present is no criterion, follow with the utmost alacrity the lead of one who proposes to increase it.

Reverting to the standard proposed, I have no hesitation in saying, without fear of contradiction, that if every banker will adopt that standard and will conduct his own business according to the dictates of common sense, regardless of illegitimate competition, the problem is solved.

THE PRESIDENT: I stated yesterday that as goes the Empire State so goes the nation. This convention has been honored by having a representation here from all over the United States; we have a gentleman from Arkansas; we have a gentleman from Florida; we have a good representative here from Minnesota, and now we are to hear from a gentleman from the State of Illinois, Mr. C. O. Austin, Vice-President of the National Bank of North American, of Chicago, whom I take pleasure in introducing to you.

FIDELITY INSURANCE.—ADDRESS OF CHAS. O. AUSTIN, VICE-PRESIDENT OF THE NATIONAL BANK OF NORTH AMERICA, CHICAGO.

Indemnity bonds of fidelity companies, guaranteeing the faithful performance of duty of those occupying positions of trust in banks, have come into general use in recent years and are rapidly superseding all other forms of surety for this purpose. Formerly the bank officer or employee who was required by his employer to furnish surety for his acts could do so only by one of two ways—either through his relatives or friends, who were called upon to sign a bond of indemnity, or through a deposit of cash or negotiable securities with the employer. Manifestly, both plans had very great disadvantages. To make a bond by deposit of any considerable amount of cash or securities would be beyond the ability of an ordinary employee, and even if it were not he would be placed at the disadvantage of being unable to control his own property.

To furnish a bond signed by relatives or friends naturally places the person so bound under obligations of a nature that one handling funds of others should not incur. Bank employees should not have business obligations to any one save their employers, and the person under bond signed by individuals is certain to be called upon sooner or later by some of his bondsmen for favors and services which can only be rendered at the expense of the employer, and the higher and more responsible the position held the greater will be the favors sought, and the more costly to the employer will be the granting. Many bank failures have grown out of the indiscriminate making of loans and the granting of overdrawing privileges to their bondsmen by the Cashier or other employees in authority.

There are many bank officers whose sense of the highest integrity is beyond any question, however, and yet who have not the firmness of character to deny to their bondsmen favors which under no consideration would be granted any other person, all the while knowing that in doing so they violate the very duty to insure the faithfulness of which their bonds have been given. A man may be honest through principle or fear of law, but unless nature has endowed him with a firm purpose to do only what he conceives to be right, without fear or favor, he has no business behind a bank counter, for all the surety bonds in the world will not keep him out of trouble.

Another objection to personal bonds is that death may at any time overtake any of the signers, necessitating the obtaining of new or additional sureties. Again, through financial reverses, any or all of the sureties on such bond may become embarrassed to the extent that the employer would deem his interest best protected by the execution of a new bond. In case of defalcation the employer often finds that the enforcement of the terms of the bond against sureties of high social or business influence would result in loss greater than the amount of shortage; hence the defaulter under a personal bond is seldom prosecuted. Friends of the defaulter usually reimburse the employer, whose chief aim generally is to protect himself against financial losses; consequently the criminal retains his freedom, to the injury of society.

ADVANTAGES OF CORPORATE SURETYSHIP.

Conditions very much differ where bonds are issued by fidelity companies. Being purely a commercial transaction there is no sense of obligation on the part of the employee and no one to call upon him for unusual favors. The fidelity company does not die and seldom fails, and the conditions imposed by the various States upon them before they are permitted to transact business are of such a nature as to supply the greatest possible degree of protection to the creditors.

Banks will not hesitate to sue a fidelity company, if necessary to enforce the collection of claims where such a procedure against individual bondsmen is seldom resorted to. If a surety company sustains losses through the misconduct of its risks, it is sure to follow the defaulter, and sooner or later to apprehend him and secure his conviction, and the knowledge that the company will relentlessly prosecute all persons who have proven dishonest while bonded by it, is in itself a restraining influence of the greatest value.

RATES CHARGED BY THE COMPANIES.

The principal obstacle in the way of the universal adoption of fidelity company bonds has been the high rates heretofore charged by the companies. It is reasonable to suppose that bonds on bank employees are the very best class of fidelity risks, and there is little doubt that, considering the small percentage of loss sustained through this branch of their business, the surety companies have in many instances obtained unreasonably high rates.

The keen competition in this business has necessarily resulted in more or less rate cutting, and as a consequence there are as many different rates being charged for the same class of risks as there are companies in existence. The desire to write business has resulted in many agents writing two or more policies for as many different banks in the same community at different rates, although the character of the risk involved may have been identical in every respect, and naturally bankers have sought some means of bringing about an equalization of the charge for this service. Had all the companies charged and obtained equal rates, there would doubtless have been very little dissatisfaction, but while some of the companies were charging forty and fifty cents per hundred dollars, others have written the sa meclass of bonds at twenty and twenty-five cents per hundred dollars, and a careful investigation of the statements of the different companies has failed to show that those charging the higher rates offer any safer bonds than the companies writing the same bonds at about half the cost.

A few years ago the Missouri Legislature passed a general bank act, one of the provisions of which required that all Cashiers and Assistant Cashiers of State institutions should be under bonds. The law provided for a system of examination modeled after the examination of National banks by the Federal Government, and this provision of the statute was rigidly enforced, with the result that several hundred bank officials, who, prior to that time, had not been under bond, were required to furnish their institutions with some sort of indemnity. Without any power to define the character of the bond which these employees were obliged to give, still the State officials recommend those of fidelity companies as being the more desirable, for the reasons hereinbefore set out, with the result that the State became an excellent field for the agents of the companies soliciting this class of business. Competition, of course, was keen and the cutting of rates general.

This inequality of rates on so high a class of business received a great deal of attention in the meetings of the State Bankers' Association, and various means of bringing about an equalization was considered. After carefully investigating several schemes for accomplishing this end, the association secured a proposition from a prominent fidelity company agreeing to enter into a contract for furnishing bonds at a uniform rate to members of the association, provided the association would use its influence for the securing of the business of its members for this company. In brief, this agreement provided that the surety company should appoint the person holding the office of secretary of the association as its agent for all business pertaining to banks and originating in that State, furnish a uniform rate acceptable to the executive council and as low as that offered by any other strong company, and allow the secretary of the association the regular agent's commission for writing the business. The association on its part agreed that its secretary should actively engage in the working up of business among its members, on condition that the company would submit its assets and liabilities to the personal examination of a committee selected for the purpose of determining its solvency by the association. To this the company agreed, and a committee consisting of three of the most prominent and skilful bank officials of the State, one of whom had served as a National bank examiner, was appointed.

This committee secured the services of the actuary of the State Insurance Department and he, together with the committee, proceeded to the home office of the fidelity company, where a careful and searching examination of all of its assets and checking of its liabilities were made. The committee returned a report to the executive council of the association recommending that the agreement referred to be accepted. The executive council then employed an assistant secretary, and immediately began the work of making a thorough canvass not only of its own members, but of all banking institutions doing business in the State. The agent's commission, which the company has agreed to pay the secretary on all business written through his office and remaining after the expenses of conducting the business were defrayed, was turned into the treasury of the association under a special fund known as the reward fund, the object of which was to provide means for the payments of rewards for the apprehension and conviction of all persons defrauding or attempting to defraud any member of the association. The benefits of this reward fund were not extended to banks not members of the association. The association then made an arrangement with a leading detective agency for the apprehension of all persons implicated in crimes against its members. The members of the association were quick to see the advantage of the extremely low rates offered to it, and also of the protection offered by the arrangement with the detective agency and the existence of the reward fund which made such an arrangement possible. The contract with the surety company was entered into in July, 1900, and from that date to this the association has continued to handle the surety business of its members in a most successful manner. At the annual convention in May, 1903, the association had outstanding $4,500,000 of fidelity bonds written through its office, and its reward fund amounted to $13,000 after the payment of all expenses and rewards claimed.

Because of the large number of banks in the State, many of which are situated in very small towns, remote from the police influence of the larger cities and in sections offering unusual opportunities for criminals to make good their escape, it is not surprising that formerly there were constant attempts made to defraud and rob banks. These attempts were particularly frequent along the borders of the State, where criminals could quickly escape into some other State before the machinery of the law could be set in motion to apprehend them and in these sections where mining was extensively carried on and which supported a large floating population, and where explosives of high power could be obtained from most any country store. It is noticeable that the number of attempts has steadily decreased since the present system was inaugurated notwithstanding the constant increase in the number of banks. As soon as an attempt is made to crack a safe, or as soon as a forged or altered check is passed upon any member of the association, that member immediately communicates by telegraph with the secretary, who in turn at once telegraphs the detective agency and the police departments of the various leading cities, and by the first mail sends out hundreds of circulars describing the crime and the criminal, if possible, and offering a suitable reward, the size of which is determined by the gravity of the crime. One of these circulars is put in the hands of every bank in the State, and banks in adjoining States, if deemed advisable, and quantities of them are sent to the police department of every city, and copies to the sheriff and other police authorities of each county, all of which entails a great deal of expense and would not have been possible except for the reward fund. So quickly and methodically is this work done that a criminal rarely escapes and it has been noticed that attempts against members of the association are becoming less and less frequent and the criminals devote their time to those banks that are not members of the association. Every member of the association is provided with a metal sign reading "Under the Protection of the Missouri Bankers' Association," and this sign is hung in a conspicuous place. The sense of protection afforded members induced most of those banks which had heretofore neglected to join the association to send in their membership fee and have their fidelity bonds written through the association, so that the membership of the association has increased until 735 banks out of a total of 812 in the State belonged at the date of the last convention in May of this year.

In addition to fidelity insurance, the Missouri Association made a contract on a similar plan with a prominent company writing burglary insurance on safes, and on the dates above mentioned there was outstanding through the office of the secretary $2,250,000 of this class of insurance.

Following the plans adopted in Missouri, the State bankers' associations of several other States have undertaken to handle the fidelity business of their members. One State at least did not succeed with it and gave it up after a year's trial. Several other States have met with better success, but none as yet with a degree of success comparable to that attained in Missouri, but this is probably due to the failure to make it a special feature, or employ competent assistants to the secretary to push the work, or to the fact that some of the officials of the association in these States are themselves representing fidelity companies, rather than to any defect in the plan. In adopting this plan the Missouri Bankers' Association has officially approved of and recommended fidelity bonds to its members, and at the same time satisfactorily solved the problem of furnishing them to all of its members at a very reasonable and uniform rate.

On motion of Ralph W. Kirby, of Bainbridge, the thanks of the convention were extended to Mr. Austin for his interesting address.

THE PRESIDENT: I have received several requests to crowd the business along this morning so that ample opportunity may be given for the pleasures of the afternoon.

Several gentlemen have consented to speak on the various questions brought before us in the report of the council of administration, which was adopted yesterday. The first speaker is Mr. William L. Moyer, President of the National Shoe and Leather Bank, of New York city.

ADDRESS OF WILLIAM L. MOYER, PRESIDENT NATIONAL SHOE AND LEATHER BANK, NEW YORK.

Mr. President and Gentlemen—After the gentle reminder to which we have just listened, I certainly feel like taking as little time as possible. Furthermore, the address to which we have just listened has been so complete and covers the subject so thoroughly that it seems hardly possible for me to add anything to it.

We cannot but agree to the objections raised by Mr. Austin regarding personal bonds, and we cannot help commend the work done by the Missouri Bankers' Association along the line of getting lower rates for its members and at the same time affording adequate security against fraud.

The question of fidelity insurance is one of the most important that the banks of the country have to consider to-day, and yet it is one that has been given comparatively little thought and attention.

It would be impossible for me to enter into any detail about the great variety of companies engaged in this business, and I will simply refer to some statistics furnished me by Mr. Frank L. Hamilton, of Illinois, the chairman of the fidelity bond committee of the American Bankers' Association. He says: "In 1902 there were 17,250 employees of banks members of the American Bankers' Association bonded in fidelity companies. The total amount of these bonds was $133,000,000. The premium paid was $388,000."

From the same source I received the astounding information to me that the banks of the State of New York are paying on an average $4.25 per thousand for their insurance, while in other States the rates range as low as $2 per thousand, and these rates are made by the same companies, yet we have always assumed that the more hazardous risks are in the West.

Lack of uniformity in the bonds issued by different companies makes it difficult to collect in case of loss. Therefore, the committee of which Mr. Hamilton is chairman has rendered a great service to the banks of the country by preparing a bond which is practically incontestable. The committee claims that there is not a bond written by any company that the company is legally bound to pay, with the sole exception of the copyrighted form adopted by the American Bankers' Association, and that fifty to sixty per cent. of the claims against the different companies are contested.

It is expected that further action will be taken by the American Bankers' Association at its forthcoming convention in October looking to the establishment of a fidelity bond department, or the organization of a new company to provide bonds for the employees of members of the American Bankers' Association.

A great deal more might be said on this subject, but as my time has more than expired, and as I know Mr. Jones will have something interesting to say, I will give way to him.

THE PRESIDENT: I will call upon Mr. R. W. Jones, Jr., President of the Oriental Bank of New York.

ADDRESS OF R. W. JONES, JR., PRESIDENT OF THE ORIENTAL BANK, OF NEW YORK.

Mr. President and Members of the New York State Bankers' Association—I began my banking career in a small bank in a small town, and I had the good fortune to begin under a gentleman who was of the most distinct David Harum type. If there was one principle he tried to inculcate in me above any other it was that I should not talk. He kept saying to me, "Don't you have anything to say; let the other fellows do all the talking; but if you have got to talk, ask questions." So great has been my confidence in that advice and my belief in the principle of following precedents and the experience of others, that I have followed that rule literally to the very best of my ability.

The development of machinery for handling commerce and finance is exceedingly interesting, and while we do not so regard it, there is as much ingenuity displayed in the development of that machinery as there is in the development of manufacturing enterprise in machinery adapted to supplying the needs of modern civilization. One of the products of that invention is the corporate fidelity insurance company. There has been no invention in modern times that has proven more serviceable and adds more to the safety of banking business. The details of it have been so thoroughly gone into by gentlemen who have preceded me that I shall not undertake to discuss them. And right here I shall fall back into my old habit of asking questions. I do not know what has been done by this association in this respect. How is that, Mr. Pierson; has anything been done?

ACTING-SECRETARY PIERSON: Nothing.

MR. JONES (continuing): Then I feel very sure that this association can with great profit appoint a committee whose duty it shall be, first, to look into the forms of fidelity insurance bonds that are held by its members, and, secondly, the rates that they are paying for their insurance.

It was my good fortune to be a member of the Missouri Bankers' Association, and I know of the wonderful result accomplished there, and I should be very glad indeed if at this meeting a motion is made and carried to appoint a committee whose special duty it shall be, first, to see that the assured are protected. Not one banker, I dare say, reads the provisions of his policy, and while he has paid the premium there is clause after clause which almost renders the payment of the policy impossible should the company see fit to contest it.

The American Bankers' Association at Denver in 1898, appointed a special committee, which took up the matter and rendered a very great service. The result was the adoption of the American Bankers' Association form of bond, which is uniform, simple and plain.

The principle of insurance has met with a wonderful reception in every line almost where it has been adopted. The great financial corporations of this day are the insurance companies. There is nothing more welcome than the protection which they give and the feeling of security which they assure. I heard of a lady whose husband died recently and she was wiring the sad news to her brother the next morning: "John died last night. Loss fully covered by insurance." There is no question about the fact that that made its impression upon this lady even in the moment of her deepest bereavement.

One of the great advantages of the uniformity of insurance policies is in the fact that it increases the business of the insurance company itself. An insurance company, particularly in a new line of business, blazing its own way in a community, is likely to look at the matter from its own standpoint and not from the standpoint of the insured. The great advantages in the exchange of opinions is in the developing of a policy that which will be simple and at the same time which will work. The companies do not lose, as is shown undoubtedly by the experience of the State of Missouri, where the companies are gaining more business than in almost any other State in the Union; the rates are reduced, and a man is thereby rather inclined to take more insurance than he would otherwise have taken.

I should be very glad, gentlemen, if you would appoint a committee here to-day, if you want practical results, and if you do so I am very sure you will not regret it.

THE PRESIDENT: Is it the sense of the meeting that a committee shall be appointed on this subject, as has been suggested?

BRADFORD RHODES: I move that the Chair appoint a committee of three to take up this subject and report at the next annual meeting.

The motion was seconded and carried.

The acting secretary read a letter from William Sherer, Manager of the New York Clearing-House, expressing his regret at his inability to be present and address the convention.

THE PRESIDENT: Is there any new business to come before the convention?

LEO SCHLESINGER: I regret that the matter of interest on deposits has not been brought up so it might be discussed. I thought that was the most vital question that would come before this convention.

THE PRESIDENT: I would state that that matter was thoroughly considered by the council of administration in its report which was read yesterday wherein it said:

"This council recommends to the association the consideration of some action which will discourage the payment of interest on daily balance of individual depositors."

That will go out as the recommendation of this convention, the Chair holding that the reception and adoption of the report of the council of administration carried with it the adoption of the recommendations contained in the report.

MR. SCHLESINGER: With all due deference to the recommendation of the council, I still think we ought to have discussed the matter, so as to give the council the benefit of whatever might be said on the subject here; but being that you are desirous of getting through with the business of the hour, I will only say this, that the regret at Superintendent Kilburn not being here, reminds me that if we hold our conventions a week or ten days earlier, we may perhaps have the pleasure of seeing the Superintendent, as he will thereby be relieved from the attack of hay fever which is prevalent about this season of the year. On the other hand, Superintendent Kilburn, who I am sure was in earnest when he stated that the payment of interest on deposits was suicidal, if he will only take up the great trust companies and help the bankers of this State regarding the interest question, either curtailing the advantages which the trust companies have over the banks, or in some other way curtailing the privileges which they have in the way of making money on their investments, or extend the charters of the banks of this State and give them an opportunity to do business which perhaps many of you gentlemen who desire to do a straightforward and humble banking business would not attempt to do what the trust companies are doing.

Last winter I went before the Legislature trying to pass a bill for the purpose of compelling the trust companies to keep up a proper reserve. The Legislature turned down the bill for the simple reason that the clearing-house of New York found that it was necessary for the safety of the community that the trust companies should have a proper reserve on hand. What was the result? The largest trust companies in New York withdrew from clearing-house privileges, and the weak kneed companies that couldn't afford to be independent remained. The most recent illustration is the Trust Company of the Republic with a million dollars capital undertaking to write a gigantic scheme amounting to forty-five millions, and by investigation it was shown that they would have made eighty-eight per cent. of their capital if they could have carried the scheme through. What was the result? Here was the stock bought by unfortunate investors who invested in their stock at 370. Last winter it dropped to 150. Now you can buy it for twenty-five.

This is just one result showing what the trust companies can do. I think that if this matter was again brought up and if this association would employ a proper man at Albany, as is done by almost every other branch of industry to look after all bills, and if any gentleman in this association desires to go to Albany to bring up matters for the benefit of the gentlemen at large, he should have some proper assistance there. I received none from New York, for a very good reason.

THE PRESIDENT: All great reforms come slowly. That is a serious question and it will, of course, have to be met, but we cannot accomplish the results we like in a moment. It will take time and there must be concerted action by all the banks. Now, it is the moral effect of discussing this subject during the past year that this resolution will go out as a recommendation from this association. It will go back to the council of administration to develop some plan that will probably be presented in the future that will wipe out that ruinous business. But if any gentleman to-day can offer this association a right plan for its remedy, I have no doubt that the association would be willing to consider and act upon it at once.

MR. SCHLESINGER: I agree with the Chair in the statement that all great reforms come slowly, but if you allow this to continue with the trust companies in a short time you will not know where you stand.

THE PRESIDENT: Have you a motion to make on the subject, Mr. Schlesinger?

MR. SCHLESINGER: No, sir; I only wanted to have the matter fully discussed.

THE PRESIDENT: There is no objection to the fullest discussion of the subject.

HIRAM R. SMITH: I think the point made by Mr. Schlesinger is well taken. If we are to adopt the recommendation made by the council of administration it does seem to me that there should be some discussion of the matter by the members present. Whether that discussion should be had now or at the time the recommendation comes up for adoption is, I suppose, for the Chair to decide.

The matter of the payment of interest on daily balances is one that is governed very largely by the people who are managing the banks. The gentleman who read the paper on daily balances based his calculation upon a four per cent. rate paid to depositors. It seems to me that is a wrong premise to go on. Any bank that pays four per cent. on daily balances, it will be just as well for a convention to recommend to depositors not to place their money in that bank as to recommend that we pay no interest on daily balances. I do not think any one bank can afford to pay four per cent. on daily balances. The question as to what they can afford to pay depends very largely upon the business they do and upon the management of the bank, and it seems to me that that should be left largely to the individual banks or bankers according to the locality they are in and the manner of their doing business.

DAVID CROMWELL, of White Plains: This is an exceedingly important question, and I fully concur in the views that have been expressed, that it is wrong to pay large rates of interest on daily balances. I feel, however, that the reference of this matter to the council of administration is by far the best way to deal with it. It is a matter that requires a great deal of thought, and, in the hands of a committee, the various recommendations can be carefully considered and taken up. While I believe that discussion of the matter would be advantageous, still I do not see that we can do much more than express our opinion until after we shall have heard from a committee that has carefully considered the matter and is in shape to make some report.

EDWARD ELSWORTH: If this matter is going back to the council of administration, I trust that they will give it careful consideration, and then see to it that the interests of the association are represented in Albany in case legislation adverse to the banks is attempted. If we have a man at Albany with the New York State Bankers' Association behind him we will accomplish something; otherwise, we will not.

THE PRESIDENT: Is there any further discussion of the subject? If not, is there any new business?

MR. SCHLESINGER: I desire to bring up the resolution which I read yesterday and which was not in order at that time, viz.:

Resolved, That the thanks of this convention be tendered to Secretary Shaw, for the wisdom of his decision in depositing the revenue amounting to $40,000,000 in the banks, and that said action be approved.

The resolution was seconded by several delegates, and was adopted.

THE PRESIDENT: Is there any other new business?

ACTING SECRETARY PIERSON: I would like to offer this resolution.

Resolved, That the committee which the president will appoint on bank money orders devise a plan whereby members of this association can be furnished uniform bank money orders, with proper advertising matter in connection with the same, at a minimum cost. The report of this committee shall be submitted to the council of administration, which is hereby empowered and requested to authorize such expenditure as shall in their judgment be proper to enable the committee to carry out its recommendations.

The resolution was duly adopted.

ACTING SECRETARY PIERSON: On the same subject, I desire to offer another resolution.

Resolved, That the delegates from this association to the American Bankers' Association Convention be instructed to use every endeavor at that convention to secure definite action favoring bank money orders.

This resolution was adopted.

The convention then proceeded to the election of the officers for the year 1904. Acting Secretary Pierson was directed to cast the ballot of the convention for the election of J. H. DeRidder for president of the association for the ensuing year.

THE PRESIDENT: I will appoint Mr. Rhodes and Mr. Young to escort President DeRidder to the chair.

Gentlemen, I present the president elect of this association and turn over to him the gavel.

PRESIDENT DERIDDER : Mr. President, Ladies and Gentlemen of the Convention—To be chosen to preside over the deliberations of the New York State Bankers' Association is a compliment and an honor. I fully appreciate the important position this association bears to the other State associations, having within its membership the capital and talent commanding the finances of this country, and, I might say, the world. The relations of the banks are so interwoven with all other commercial interests that they are a part and parcel of the commercial fabric of our country, so that the financial reports of our metropolis are closely watched as the barometer of the condition of trade. The relations of the United States Treasury and the banks are becoming more closely allied, and I apprehend the time will not be far distant when the financing of the Government will be done through the banks of the country. The great and most important political questions are to-day centered in the establishment of a currency which shall not only be absolutely sound, but shall have an elasticity which will meet the demands of our growing and important commercial interests.

I feel justly proud that ten years ago I had the honor, with a few gentlemen who met in Buffalo, to assist in organizing this association.

From that small beginning the association has grown, until now it embraces almost the entire banking capital of the State.

It is with a feeling of reservation and diffidence that I assume the responsibilities of this office, following in the wake of my illustrious predecessors, but I ask for your indulgence and support, and beg to thank you for this distinguished honor.

The election of vice-president is in order, gentlemen.

MR. ELSWORTH : I move that the president cast one ballot for the election of Mr. Pierson for vice-president.

The motion was seconded and carried.

PRESIDENT DERIDDER : I have the pleasure to announce that I have cast the ballot of the association for Mr. Lewis E. Pierson for vice-president of the association for the ensuing year, and declare him regularly elected to that office.

VICE-PRESIDENT PIERSON : Gentlemen, I thank you for the honor you have conferred upon me.

PRESIDENT DERIDDER : Next is the election of secretary.

MR. SMITH : I move that the acting secretary be directed to cast the ballot of the association for the election of Mr. E. O. Eldredge for secretary for the ensuing year.

The motion was seconded and carried ; Acting-Secretary Pierson cast one ballot and the Chair declared Mr. Eldredge duly elected secretary for the ensuing year.

E. O. ELDREDGE : Mr. President and Gentlemen—I thank you for the honor conferred upon me, and I will endeavor to discharge the duties of the office to your satisfaction.

THE PRESIDENT : Next in order is the election of treasurer.

On motion, the acting-secretary cast one ballot for David Cromwell, of White Plains, and he was declared duly elected treasurer of the association for the ensuing year.

DAVID CROMWELL : Mr. President and Gentlemen—I desire to thank you very much for the compliment you have paid me. I have had the privilege of being associated with this association since its organization, and have ever taken a great deal of interest in its work. I feel that among the various treasurerships which it has been my privilege to fill in this life, there is none that has come to me with so much pleasure to myself as this.

THE PRESIDENT : It is usual at this time to nominate delegates to the convention of the American Bankers' Association, October 20-23 at San Francisco, Cal. The retiring president of this association is generally elected as delegate-at-large.

DAVID CROMWELL: I move that Hon. Stephen M. Griswold be elected delegate-at-large, with power of substitution. The motion was seconded and carried.

THE PRESIDENT: Each group is entitled to one delegate. The Chair is now ready to receive nominations.

E. C. McDOUGAL: Group I has no chairman here, and the nomination I am going to make, therefore, is entirely an individual one. I name Mr. Clarence W. Hammond, of Buffalo.

The nomination of Mr. Hammond was seconded, and he was elected.

PRESIDENT DERIDDER: Group II is not represented. It might be well for the secretary of that group to send in to the secretary of the association the name of its delegate, so that his name may be included in the list.

E. O. ELDREDGE: Group II names Hon. A. B. Sawyer as its delegate, with power of substitution.

PRESIDENT DERIDDER: The delegates elected have power to name a substitute in the event that they cannot themselves go.

The nomination of Mr. Sawyer was seconded and he was elected.

A DELEGATE: On behalf of Group IV I nominate J. R. Van Wagenen, of Oxford.

The nomination of Mr. Van Wagenen was seconded and he was elected.

A DELEGATE: Group V nominates F. S. Sexton, of Gloversville.

The nomination of Mr. Sexton was seconded, and he was elected.

DAVID CROMWELL: Mr. Elsworth is chairman of Group VI, but as he is out of the hall at the moment I will name the gentleman who was agreed upon by the members yesterday as our delegate—Mr. Bradford Rhodes.

The nomination of Mr. Rhodes was seconded, and he was elected.

HIRAM R. SMITH: Group VII nominates Mr. Henry E. Hutchinson.

The nomination of Mr. Hutchinson was seconded and he was elected.

A. H. CURTIS: I may say that I am not authorized to speak for Group VIII, but I am going to the convention at San Francisco.

LEWIS E. PIERSON: Then I move that Mr. Curtis be elected as the delegate.

The nomination of Mr. Curtis was seconded, and he was elected.

PRESIDENT DERIDDER: I would name as the gentlemen to compose the committee on bank money orders the following:

Lewis E. Pierson, of New York; F. E. Lyford, of Waverly; Hiram R. Smith, of Rockville Centre.

On motion of A. H. Curtis, a vote of thanks was extended to the retiring officers of the association.

E. O. ELDREDGE: I desire to allude to the particularly gracious services rendered by Mr. Pierson in stepping into the breach which arose in connection with the office of secretary of this association, and to offer a special resolution of thanks to him, in which I am sure every member of the association will heartily join.

The motion was seconded and carried by a rising vote.

HIRAM R. SMITH: Mr. President, I rise to inquire if we are not to take any action on the recommendations made by the council of administration in their report, which was submitted yesterday?

LEWIS E. PIERSON: With the permission of the Chair, I will state, in answer to the inquiry of the gentleman from Long Island, that Mr. Griswold, our retiring president, after going over the by-laws of the association, decided that the action of the convention in accepting and approving the report of the council of administration carried with it the approval of all the recommendations contained in the report.

PRESIDENT DERIDDER: Is there any other business to come before the convention?

LEWIS E. PIERSON: I would move a vote of thanks to each of the polo teams who favored us with the entertainment yesterday afternoon, and that the incoming secretary be instructed to express our thanks to them in suitable communications. (The motion was seconded and carried.) I would also move that the thanks of the convention be extended to the speakers who have favored us with addresses at this convention, and that the incoming secretary be instructed to convey the same in a suitable communication to those gentlemen.

The motion was seconded and carried.

PRESIDENT DERIDDER: I believe this concludes the business before the convention, and I therefore declare the convention adjourned *sine die*.

LIST OF DELEGATES REGISTERED AT THE CONVENTION.

Adams—G. W. Hannahs, Cas. Farmers' National Bank.

Albany—E. A. Groesbeck, Director National Commercial Bank; J. J. Gallogly, National Exchange Bank; C. Tremper, Cas. First National Bank; W. W. Batchelder, Auditor National Commercial Bank; Edw. J. Hussey, Cas. National Commercial Bank; Willis G. Nash, Cas. New York State National Bank; Chas. H. Sabin, Vice-Pres. National Commercial Bank.

Bainbridge—Ralph W. Kirby, Cas. First National Bank.

Baldwinsvile—W. F. Morris, Pres. First National Bank.

Ballston Spa—Thos. Kerley, Cas. Ballston Spa National Bank; John Burke, Director Ballston Spa National Bank; Saml. R. Taverner, Accountant Ballston Spa National Bank; H. J. Donaldson, Vice-Pres. First Nat. Bank; Andrew S. Booth, Pres. Ballston Spa National Bank.

Batavia—D. W. Tomlinson, Pres. Bank of Batavia; J. L. Bigelow, Cas. First National Bank.

Brewsters—Frank Wells, Pres. First National Bank.

Brockport—Geo. C. Gordon, Asst. Cas. First National Bank.

Brooklyn—E. A. Walker, Pres. Seventeenth Ward Bank; Stephen M. Randall, Director Seventeenth Ward Bank; G. H. Sanborn, Asst. Cas. Brooklyn Bank; Nelson B. Burr, Director Brooklyn Bank; Henry E. Hutchinson, Pres. Brooklyn Bank; Stephen M. Griswold, Pres. Union Bank.

Buffalo—L. H. Gethoefer, Cas. Columbia National Bank; A. D. Bissell, Pres. People's Bank; Elliott C. McDougal, Pres. Bank of Buffalo.

Canajoharie—Stafford Mosher, Cas. Canajoharie National Bank.

Cooperstown—Theo. C. Turner, Cas. First National Bank; G. M. Jarvis, Cas. Second National Bank.

Corinth—Theo. Elixman, Pres. Corinth National Bank.

Ft. Edward—A. R. Wing, Cas. First National Bank.

Franklin—E. C. Stewart Vice-Pres. and Cas. First National Bank.

Freeport—W. C. Miller, Director Bank of Freeport.

Fulton—H. E. Hannis, Assistant Cashier Citizens' National Bank.

Fultonville—O. F. Conable, Cas. Fultonville National Bank.

Geneva—S. H. Verplanck, Pres. Geneva National Bank.

Glens Falls—F. F. Pruyn, Cas. Merchants' National Bank; Edw. Reid, Director Merchants' National Bank; E. T. Johnson, Cas. First National Bank; W. E. Russell, Teller First National Bank.

Gloversville—Frank S. Sexton, Cas. Gloversville National Bank.

Granville—D. D. Woodard, Pres. Granville National Bank.

Herkimer—A. W. Haslehurst, Pres. First National Bank; W. I. Taber, Cas. Herkimer National Bank.

Hoosick Falls—A. J. Colgan, Teller First National Bank; Delmer Runkle, Cas. People's National Bank.

Hudson—F. C. Haviland, Cas. Farmers' National Bank.

Huntington—Thos. Young, Pres., H. T. Sammis, Vice-Pres., Jos. Irwin, Director, Bank of Huntington.

Jamaica—H. L. Crandell, Vice-Pres. Bank of Long Island.

LeRoy—Wm. F. Huyck, Pres. Bank of LeRoy.

Little Falls—Fred. I. Small, Director Little Falls National Bank; L. O. Bucklin, Cas.; D. H. Burrell, Pres. National Herkimer Co. Bank.

Lowville—F. McKullock, Pres. First National Bank.

Malone—M. T. McGarrahan, Cas. People's National Bank.

Mexico—Chas. A. Peck, Cas. First Nat. Bank.

Mt. Kisco—F. M. Carpenter, Vice-Pres. Mt. Kisco National Bank.

New York—Alfred J. McGrath, Asst. Cas. National Shoe and Leather Bank; A. H. Curtis, Cas. National Bank of North America; Bradford Rhodes, Pres. Thirty-Fourth Street National Bank; C. F. Hose, Mgr. J. B. Russell Co.; H. F. Fonda, Asst. Cas. National Bank of Commerce; Geo. W. Pancoast, Cas. Astor National Bank; R. A. Purdy, Mgr. Mechanics and Trader's Bank; C. B. Outcault, Cas. Federal Bank; L. R. Rothschild, 2nd Vice-Pres. Federal Bank; Chas. E. Gardner, N. W. Harris & Co.; Edw. S. Avery, Trust Officer Nineteenth Ward Bank; L. B. Pierson, Vice-Pres. New York National Exchange Bank; G. E. Lewis, Cas. Gallatin National Bank; Jas. M. Donald, Vice-Pres. Hanover National Bank; Leo Schlesinger, Pres. Mechanics and Traders' Bank; Alex. D. Cambell, 2nd Asst. Cas. Hanover National Bank; N. A. Reynolds, Asst. Cas. National Citizens' Bank; Russell Armstrong, Harvey Fisk & Sons; Gilbert G. Thorne, Vice-Pres. National Park Bank; Chas. E. Berry, Director Oriental Bank; R. W. Jones, Jr., Pres. Oriental Bank; W. L. Moyer, Pres. National Shoe and Leather Bank; Jas. D. Livingston, Cas. Bank of Discount; Jos. G. Robin, Pres. Bank of Discount; Chas. W. Riecks, Cas. Liberty National Bank; W. O. Jones, Asst. Cas. National Park Bank.

Niagara—P. F. Pfohl, Cas. Power City Bank.

N. Tonawanda—James H. Rand, Pres. Benj. L. Rand & Co.'s Bank.

Northville—B. Eglin, Cas. Northville Bank.

Norwich—Henry Hewitt, Teller National Bank of Norwich.

Oswego—F. E. Sweetland, Cas. Second National Bank.

Owego—E. O. Eldredge, Cas. Owego National Bank.

Oxford—J. C. Estelow, Cas. First National Bank.

Patchogue—F. A. Overton, Cas. Patchogue Bank.

Peekskill—J. Towart, Jr., Teller Westchester Co. National Bank.

Penn Yan—N. S. Baldwin, Pres. Baldwin's Bank.

Plattsburg—E. G. Moore, Pres. First National Bank.

Poland—S. R. Brayton, Asst. Cas. National Bank of Poland.

Port Chester—J. W Ingman, Asst. Cas. First National Bank.

Port Jefferson—F. A. Kline, Cas. First National Bank; E. M. Davis, Cas. Bank of Pt. Jefferson.

Poughkeepsie-F. M. Johnson, Pres. Fallkill National Bank; E. Elsworth, Pres. Poughkeepsie Savings Bank.

Pulaski—Louis J. Clark, Cas. Pulaski National Bank.

Red Hook—J. W. Elseffer, Vice-Pres. First National Bank.

Rockville Center—H. R. Smith, Pres. Bank of Rockville Center.

Rome-G. G. Clarabut, Cas. Farmers' National Bank.

Rondout—P. A. Canfield, Pres. National Bank of Rondout.

Sandy Hill—Chas. T. Beach, Cas. Sandy Hill National Bank.

Saratoga—J. H. DeRidder, Cas. Citizens' National Bank; Wm. B. Gage, Pres., Willard Lester, Vice-Pres., Wm. Hay Bockes, Cas. First National Bank.

Schnectady—H. L. Milmine, Cas. Mohawk National Bank; J. Van Vranken.

Springville—F. O. Smith, Cas. Farmers Bank.

Stamford—J. N. Merchant, Pres. National Bank of Stamford.

Syracuse—E. S. Tefft, Cas. First National Bank; C. A. Bridgman, Cas. Merchants' National Bank.

Troy—Norman B. Squires, J. H. Neher, Pres. United National Bank; Geo. P. Ide, Pres. Manufacturers' National Bank; F. N. Mann, Vice-Pres., Wm. Kemp, Pres., Mutual National Bank; F. H. Rowe, Jr., Director Central National Bank; Wm. C. Feathers, Accountant Manufacturers' Nat. Bank; A. B. Cobden, Cas. People's Bank; F. E. Howe, Cas., Frank Gilbert, Director, Manufacturers' National Bank; Henry Colvin, Cas. National State Bank.

Utica—D. A. Avery, Cas. Second National Bank.

Waterloo—Jas. H. Haslett, Vice-Pres. First National Bank.

Watertown—Geo. B. Massey, Vice-Pres. Jefferson Co. National Bank.

Watervliet—Thos. Knickerbacker, Pres., A. T. Phelps, Cas., National Bank of West Troy.

Waverly—F. E. Lyford, Pres. First National Bank; J. T. Sawyer, Pres. Citizens' Bank.

White Plains—David Cromwell, Pres. First National Bank.

Worcester—Geo. B. Crippen, Cas. Bank of Worcester.

Yonkers—Peter J. Elting, Pres. Westchester Trust Co.

GUESTS.

Adams—Mrs. G. W. Hannahs.

Albany—Mrs. W. J. Nash, Mrs. J. J. Gallogly.

Baldwinsville—Miss Morris.

Ballston Spa—Mrs. Kerley, Mrs. Burke, Miss Agnes Christopher.

Batavia—Mrs. J. L. Bigelow.

Brooklyn—Miss Randall, Miss Ella S. Hutchinson, Mrs. Griswold.

Buffalo—Mrs. A. D. Bissell.

Brewsters—Mrs. F. Wells.

Cooperstown—Mrs. G. M. Jarvis, D. H Gregory, Mrs. D. H. Gregory, Miss Randall, Mrs. Turner.

Chicago—Chas. O. Austin, National Bank of North America; Mrs. C. O. Austin.

Ft. Edward—Mrs. A. R. Wing, Miss Nellie Wing, Mrs. A. Emerson, Miss E. Emerson.
Freeport—Mrs. William G. Miller.
Herkimer—Mrs. Brayton, Miss Brayton, Mrs. Haslehurst, Miss F. Haslehurst.
Hoosick Falls—Mrs. Runkle.
Hudson—Mrs. F. C. Haviland.
Huntington—Henry Bush, Miss Irwin, Miss G. Irwin, Mrs. Young, Mrs. Sammis, Mrs. Irwin.
Jamaica—Mrs. Crandell, Mrs. S. R. Smith, Mrs. A. P. Crandell.
Jacksonville, Fla.—Mrs. Arthur F. Perry.
Jersey City—N. J. Edge.
Little Rock, Ark.—B. J. Brown.
Mexico—C. A. Peck, Grace L. Babcock.
Minneapolis, Minn.—J. Chapman, Jr.
Mt. Kisco—Mrs. F. M. Carpenter.
New York—R. S. Doolittle, Federal Bank; Chas. A. Morrison, stenographer; C. H. Senauer, "American Banker"; Edwin Goodall, Bankers' Money Order Association; Jas. R. Branch, Secretary American Bankers' Association; F. H. Hooke, Pres. "Financial Age;" A. H. Auge, "The Financier;" Editor "American Banker;" Mrs. W. O. Jones, Mrs. A. H. Curtis, John W. Wooten, Mrs. F. E. Lewis, Mrs. H. A. Peck, Mrs. J.M. Donald, Mrs. C.A. Morrison, Miss H. A. Senauer, Miss C. E. Senauer, Walter B. Manny, Mrs. Guggenheim, Mrs. Sulzberger.
Niagara—Mrs. Pfohl.
Northville—Mrs. Eglin.
Patchogue—Mrs. Overton.
Pen Yan—Mrs. Baldwin.
Philadelphia—H. Baker, Merchants' National Bank.
Poland—Mrs. S. R. Brayton, J. W. Brayton, Mrs. J. W. Brayton.
Port Chester—Mrs. J. W. Ingman, Miss Ingman, Florence E. Ingman.
Port Jefferson—Mrs. E. M. Davis.
Pulaski—Mrs. Clark.
Red Hook—Mrs. Elseffer, Elizabeth P. Adams, Katherine Adams.
Rockville Center—Mrs. H. R. Smith.
Rondout—Miss Canfield.
Stamford—Mrs. Merchant.
Syracuse—Mrs. Bridgeman.
Troy—Mrs. Colvin, Mrs. J. H. Neber, Mrs. Mann, Mrs. Kemp, Mrs. Rowe, Mrs. Cobden.
Waverly—Mrs. F. E. Lyford.
Waterloo—Mrs. J. Haslet.
White Plains—Mrs. D. Cromwell.
Worcester—Mrs. G. B. Crippen.

Savings Departments in National Banks.

Editor Bankers' Magazine:

SIR: I have read with considerable satisfaction the article in your August number by W. H. Bryan with relation to banks and trust companies. We are specially interested in the question, as we are now operating a savings department in connection with our bank, and have adopted the usual rules of Savings banks requiring notice in case of withdrawal of deposits.

We have been in doubt whether, under the provisions of the National Banking Act, these rules could be enforced against depositors in that department. Mr. Bryan does not discuss this feature of the subject, and, while the Comptroller has approved savings departments in National banks, the question of the enforcement of regulations with reference to withdrawals is a very important one, and of general interest to the National banks at this time.

An article on that subject would certainly be very acceptable to your readers.

Very truly yours,

JAMES EVANS, *President National Bank of McKeesport.*

MCKEESPORT, PA., September 16.

Gold Basis for Mexico.—The report of Mexico's Monetary Commission, sent abroad, is now published in Spanish. Among the more interesting points are the following:

"In Russia and in England, especially, the immediate establishment of a gold standard in China is regarded almost as impracticable. In the monetary system that is recommended for the purpose of bringing about a fixity of international exchange the price in gold of bar silver and the value in gold of silver money are absolutely disassociated. The former, the report says, may fluctuate in the market, whereas silver money will always have a fixed value in gold—hence the stability of international exchange. This fixed value in gold, the report continues, will be maintained by the Governments by certain regulations, one of which will be the closing of the mints to the free coinage of silver."

STATE BANKERS' ASSOCIATIONS.

REPORTS OF RECENT CONVENTIONS.

INDIANA BANKERS' ASSOCIATION.

The seventh annual convention of the Indiana Bankers' Association met at South Bend September 9 and 10. President R. L. O'Hair, President of the Central National Bank, Greencastle, called the convention to order in the banquet-room of the Oliver Hotel, at 10 o'clock A. M., September 9. Prayer was offered by Rev. E. P. Bennett, and an address of welcome was delivered by Mayor Edward J. Fogarty, of South Bend, who said:

Welcome by Mayor Fogarty.

Through the courtesy of your committee I am permitted to express the hearty welcome and good fellowship of the people of South Bend, and in performing this very pleasant duty I welcome you not in a formal, perfunctory manner but heartily, with all the warmth of hospitality which characterizes our people. We are glad to greet visitors in the city. We welcome strangers within our gates because we are proud of our city and in knowing that no visitor has been disappointed in his expectations when visiting South Bend.

We are proud of our fame as a manufacturing center, proud of our mammoth industries, whose wares are known in all the markets of the world. We are proud of our schools, both public and private, proud of the great University of Notre Dame and its auxiliary academy, St. Mary's. We are proud of the city, of its buildings, its many evidences of thrift and progress, of our civic improvements, with miles of beautiful paved streets lined with commodious and attractive homes, and we are especially proud of our citizenship, of the energetic, rugged manhood which has aided in the development of the city from Alexis Coquillard down to the last and most humble recruit to our population. Destroy the city and it would rise again, for its wealth is not in gold or things material, but in the intelligent, progressive, law-abiding spirit of our people.

We greet you here as busy men who have behind you substantial interests, and who come together to advance the usefulness of institutions closely connected with the commercial development of the country. We know that your time will be well occupied, yet we extend to you the freedom of the city. We hope that you will have time to become acquainted with South Bend, to learn to know its people, to observe the substantial progress upon which we rely, and as mayor of this city and on behalf of its people I present to you for your inspection during your sojourn an ideal place of abode undisturbed by social disorders, where labor and capital understand each other, and employer and employee stand arm in arm; a clean city of healthful laboring people, a nucleus of a great municipality, who believe in living as we move along.

At the conclusion of Mayor Fogarty's speech President O'Hair delivered his annual address, which was as follows:

Annual Address of President R. L. O'Hair.

In times of exceptional prosperity, when speculation usually accompanies rising prices, the inevitable working of monetary laws is quite likely to be disregarded, but in due course of time these laws will nevertheless bring logical consequences with fatal precision.

The facts and reasons advanced for the promotions, combinations and capitalization of new industrial companies in recent years are familiar to all of us. Although their operations were at the time dazzling and fascinating, they were in truth only the peculiar forms in which the speculative mania—(an old malady)—has asserted itself in present conditions. The special character of the new industrial organizations, and the legal questions involved in their operations, were new; but the executive expansion, the stretching of valuations the rise of securities under the aid of syndicates to a price which led the investing public to refuse to buy, these were all familiar phenomena.

The period of inflation, however, is inevitably and always followed by a period of deflation. This is as certain as fate, and we are now in a time of unmistakable reaction from excessive speculation in securities.

In former experiences its general characteristics have been observed time and again and they are clearly observable to-day. It is the relation of the banks to this situation and its lesson in regard to our currency which is of very grave practical importance, and it is my purpose briefly to discuss the relations now existing between the banks and the money market.

As every banker knows, a loan granted by a bank is not necessarily a loan of money: in most financial centres actual money is not passed. The loan is a case of buying and selling; the bank buys the right to receive a definite sum in the future, say thirty, sixty or ninety days, and it gives the borrower the right to draw a definite sum on demand. Ordinarily, where checks and drafts are in use, the borrower will seldom exercise his right to draw by asking for actual cash from the reserves. In the main, what he wishes is a means of payment acceptable to those to whom he is indebted. In other words, the chief function of a bank in the business community is the coining of salable property into means of payment by means of discounting paper based on transactions in goods or property. The discount operation places the bank in a certain legal control over the values lying beneath the transactions. The means of payment arising out of the process appears in the shape of a deposit account to the credit of the borrower, and the total sum of such means of payment thus created is roughly given, in the total of the bank's deposits, to the country.

NEW PROBLEMS FOR BANKERS.

The new industrial combinations, with their expanded capitalization—some of it admittedly carried only on "good will"—have raised new problems for the banker in judging of collateral. Recent developments, moreover, make it clear that these problems have not been wisely pondered by influential elements in certain quarters. Banks have been forced out of their legitimate functions to assist operations in Wall Street. The disposal of securities in the stock market has often been assumed to be of greater importance than the safety of the deposit item. As every interested person knows, enormous blocks of unsalable securities have been held by financial institutions as collateral for loans to syndicates and promoters. The extent to which this practice has been carried on can be realized only by the severity of the recent enforced liquidation, and in the end only by the purging effects of a commercial crisis.

POSSIBLE DANGERS TO THE BANKS.

The element of danger to the banks arising from the peculiar character of many new securities offered for collateral, is to be found in the conditions affecting their market price. Any obligation is regulated as to its price by the rate of dividend, the certainty of that income and by its term. In past years railway and other bonds and stocks of well-known companies, whose affairs were known and whose conditions were stable, afforded a class of collateral easy to deal with; but there are now new classes of securities having certain characteristic qualities which must modify our general judgment; consequently the selling price of a stock may vary because of very slight actual changes, or even because of expected changes in the rate of dividend. A fall of only one per cent. in the dividend will cause a decline of perhaps thirty points in the market price of a stock. Now the peculiarity of the new industrial securities is that they differ from those of many settled enterprises by the fact of their dependence on the endless changes of business prosperity or depression. These changes are certain to make large fluctuations in the net profits of an industry or to destroy them entirely.

But it is to be remembered that the value of enormous capitalizations will be directly modified by slight changes in the actual dividends. That is, an enormous shrinkage of millions of dollars in the face value of collateral may result from inevitable changes in the net profits of special industries. If a given industry has a seven per cent. preferred stock outstanding to the amount of $500,000,000 at par, a change in the prospects of the industry, without an actual reduction of dividends, would lower the face value of the stock by $150,000,000, and an actual reduction of dividend to six per cent. would cause another enormous fall in nominal market prices. This is a case where very slight changes might produce enormous results in the collateral offered to banks.

In brief, enormous fluctuations in the new collateral are now possible because they are directly affected by the ups and downs of trade and commerce. This is, in my judgment, the peculiar and really serious element in the existing situation which must be faced by the banks. Taking the institutions of the country as a whole, they must expect to have a shrinkage of hundreds of millions of dollars in the face value of these new securities. Just to the extent that our banks, trust companies and individuals have loaded themselves with these new securities will the money market have been seriously affected. Just to the extent that such collateral for loans has been taken by our financial institutions, at the high speculative value of the promoters, a corresponding demand item has been created against the banks in the deposit account; and the tenderness of the money market in recent months has been due to the fact that the banks may be called on for cash to the full amount of this demand item. Then, even if the collateral behind the loan item shrinks enormously, the banks are still bound by the obligation to pay the demand deposit resulting from the original loans.

Here is the rub. So far as the deposit item has been enlarged by loans based on this dangerous class of securities and the resources of the banks locked up, the demands of legitimate borrowers could not be met. When a desirable business enterprise has need of new capital, when the moving of our new crops and live stock from our farms demand assistance from the banks, the money market has been found to be in a sensitive condition.

Merchants cannot expand their business and new investments are postponed to the general disadvantage of wage earners and production. But if the money market had not been choked with doubtful collateral, the accommodation to desirable borrowers would have been easy and cheap.

Therefore the explanation of the present condition of the money market, its inability to respond freely to new demands, its evident difficulty in maintaining its normal condition, is to be found not so much in a scarcity of money, as in the presence of a vast mass of doubtful and speculative collateral held as the basis of loans. This is my diagnosis of the disease; in fact, already for more than six months nature has been purging the patient and if it continues gradually we may thereby escape a severe crisis. There would have been little talk about the scarcity of money if some financial institution had not been loaded with promotion securities.

The real remedy for the tightness of the money market is not to be found in an issue of more circulation, but by the avoidance of the speculative securities of Wall Street.

Under our present system of banking the method of issuing notes, while unquestionably safe, affords little or no elasticity to banks requiring a note issue. But in the great financial centers, where checks and deposits form almost the entire means of payment, the only question is whether sufficient sums of legal money can be obtained to keep reserves at a safe point. No matter how much the circulation is, no matter how much the absolute quantity of reserve in the banks of the country, a reckless acceptance of speculative securities could so inflate the deposits, or demand liabilities, that even a very large sum of resources would be a small percentage of the liabilities and money would be as tight as ever.

To urge an enlargement of the bank circulation, however, as a means of enabling enormous flotations of industrial securities to be carried by present holders is as useless as it is imprudent.

There is, however, a widespread and mistaken idea that prices of goods and even of securities would be raised by an issue of more money. Doubtless this belief lies behind some of the thoughtless cry for an increased elasticity of the currency. But it is plain to most business men that prices of the products of our country cannot be modified through changes in our money, only by a change in the value of the standard money of the country. We have a gold standard and gold prices; to change our level of prices by manipulating our money we must do something to change the value of gold. So long as National bank notes are redeemable in legal money as good as gold, an addition to their quantity will not change the value of gold or the gold prices of the country.

The fact is, the National bank notes, greenbacks, checds, drafts and even silver dollars are in this country not the standard by which prices are fixed, but only the medium of exchange. These mediums of exchange are kept equal to gold by some system of redemption direct, or indirect, and do not directly affect prices in gold; this fluctuation in amount ought to correspond to the demands of the business public for a medium of exchange, rising automatically with the increase of transactions and falling when the need has passed. But it should always be kept distinctly in mind and always emphasized that there is a great difference between the standard in which prices are expressed and the medium of exchange by which goods are most conveniently transferred. Goods are coined into means of payment by banks when a loan is made on the basis of goods followed by a deposit account to the amount of the loan and leading to the use of checks, so that no cash enters into the process beyond the store of money kept in the reserve. Thus is provided a highly efficient medium of exchange which is absolutely elastic, expanding exactly according to the business operations and diminishing as men contract their enterprises and cease to ask for oans.

A proper examination of this function of banks in a business community, a knowledge of the medium of exchange thus created by the banks, one which has been long used, tested by experience, familiar to everyone, based solely on the assets of the banks, will show that the problem of a scarcity of money depends on other things than those sometimes referred to by currency reformers. In short payments between individuals and banks, between banks themselves, are almost entirely performed by this elastic medium of exchange and in amounts fairly well represented by the enormous figures of the clearings of the country. It is this familiar, long-used and elastic medium of exchange which depends for its solvency wholly on the character of the collateral accepted by the banks. This is why it has seemed to me to-day so important to discuss the central questions involving the nature of existing industrial securities and the consequences arising therefrom which affect the relations of the banks to the money market.

In meeting the difficulties due to the inelasticity of National bank circulation, wisdom and expert knowledge should be regarded. There may be differences of opinion as to the basis provided for the circulation.

Certain it is that both in reason and experience a circulation secured solely by bonds, no matter how good, can never be and never has been elastic. Nor should the cry of "wild-cat" currency be applied ignorantly to notes secured by the so-called "assets." For it will be remembered that many of the present cases of worthless notes to which such epithets were applied were bond-secured notes. After all is said, however, it will be found that whatever the system of note issues, the essential soundness of the demand liabilities—whether in the form of notes or deposits—depends upon the kind of collateral or assets held for loans. That is, it depends on the management of the bank more than upon any particular system.

Andrew Smith, Assistant Cashier of the American National Bank, Indianapolis, read his annual report as secretary of the association. It showed a membership of 415, compared with 364 at the date of the previous convention.

W. H. Hart, ex-Auditor of State, delivered an address relating to State supervision. In regard to savings banks in Indiana, he said:

"The banking laws of Indiana are especially commendable as to Savings institutions. The five Savings banks are located at La Fayette, Evansville, La Porte, Terre Haute and South Bend. The State not only exercises a close supervision but controls salaries, the theory being that the depositors shall share in all the profits and that the management, while being of the best financial type, shall keep in view the semi-philanthropic character of any institution that cares for the small savings of those who from their daily earnings are seeking to build for the future. There is an army of 25,000 depositors in these five banks, with deposits of over $6,000,000 and last year nearly a quarter of a million dollars was paid in dividends, the expenses of management being less than $60,000."

The next speaker was S. R. Flynn, President of the National Live Stock Bank, Chicago, who delivered the following address:

ADDRESS OF S. R. FLYNN.

Mr. President, Ladies and Gentlemen—We are at the end of a chapter in the history of our progress. It is well that we pause for serious reflection. Certainly, conditions do not inspire optimistic enthusiasm, neither do they warrant pessimistic gloom and gloat.

Since 1897 this country has indulged in an orgy of speculation so insanely wild that it hardly has a parallel in history. Beginning with last September outraged confidence began squeezing the water out of stock-market quotations, and it has been squeezing ever since, and it is not through squeezing. Do not be deceived by temporary rallies. Stock market quotations must reach the level of actual values before confidence will think it safe to enter Wall Street again. Many stocks now quoted will no longer be listed when confidence again walks abroad in Wall Street. Liquidation, drastic liquidation, will not suffice. There must be reorganization. Value given to nothing cannot be maintained. Yet this is what our twentieth century financiers have attempted. They have capitalized expense accounts. They have capitalized bonuses paid for individual plants, for individual enterprises. They have capitalized the promoter's rake-off.

The officials of the Government, through misconception of the situation, on several occasions came to the relief of speculation. It was an unwise use of Government power and can be excused only upon the ground that the officials honestly thought disaster in Wall Street meant general disaster.

However, most fortunately, the inevitable was not too long delayed, and therefore legitimate business has not been materially affected.

Last year we were looking into the future with fear and trembling. To-day we feel the worst is over. The anticipated stock market panic has occurred. Yet general business, legitimate business, is in a healthy, sound and prosperous condition.

There is nothing in the present financial situation that we would change if we could. Credit is easy, business is brisk and speculation is on its back. What more could be desired?

If this situation is the result of unscientific monetary laws, how much cause have we to thank fortune that our laws are unscientific. There is no demand for radical change coming from any considerable portion of the practical business men of the country. But there has been urgent, insistent demand for revolutionary change coming from certain theorists. Since 1896 and even before that they have urged that all things financial be turned upside down. Fortunately they have not had their way. The conservatives have opposed revolutionary change, and have gently but firmly adjusted the mental balance of the radicals. Now the radicals have become harmless, quite. They disclaim revolutionary purpose. They have ceased to advocate branch banking, though branch banking is a necessary condition precedent to the successful use of asset currency. Perhaps they have come to realize, as we do, that while branch banking is an ideal system for a developed country, it is not the system for a developing country. They have abandoned advocacy of true asset currency. After these years of heated discussion the radicals offer as fully supplying all needed change in our banking and currency laws the Fowler bill, which may be rightly titled "A bill providing for the inflation of our currency by the creation of a limited volume of safe inelastic National bank notes based upon the assets of such banks."

You are all familiar with the last edition of the Fowler bill, and therefore know I have given its proper title. The professed object of the framer of this bill is to provide a currency combining perfect safety with perfect elasticity. This is seeking the unattainable.

The advocates of this legislative offering fiercely defend the safety of the proposed currency. I cannot for the life of me see why they waste so much eloquence on this point. No one seriously disputes the safety of these notes except, perhaps, Mr. Fowler himself. In a speech recently delivered before the Minnesota bankers, Mr. Fowler made this startling statement: "No bank is bound to redeem its liabilities in gold; it can use greenbacks, which are absolutely worthless, or silver dollars worth about thirty-five cents." Section 9 of the last Fowler bill provides that his notes shall be redeemed in "lawful money," and "lawful money" includes greenbacks, which he says are absolutely worthless, and silver dollars which he says are worth about thirty-five cents. If Mr. Fowler were seriously taken, this gratuitous assault upon the credit of the Government might unsettle our entire monetary system, based as it is upon our confidence in the willingness and ability of our Government to redeem every form of token money with gold coin, which has accepted value the world over. However, doubtless Mr. Fowler was not serious when he made this attack on our national credit, but if he were, no one took him seriously, and so no harm was done. The credit of the Government remains as high above suspicion as ever.

For myself, I am quite convinced that the Fowler note would be safe notwithstanding this back-handed slap at it. Indeed, it is so perfectly safe that it is perfectly inelastic. There is but one way to supply elasticity to a credit note. It must be made in some degree undesirable. The more undesirable the note may be, the more elastic it will be: always provided the degree of undesirability is not so great that the note cannot be forced into circulation. A credit note must be safe and it must circulate at par. Neither the banks nor the public would tolerate the slightest measure of uncertainty, nor the smallest collection charge. This Fowler note is absolutely safe, and it would circulate at par. Wherein is it made sufficiently undesirable to be in any degree elastic?

The committee reporting the last Fowler bill state: "It is probable that the whole of the proposed issue would find occupation during the coming fall, and as certainly be practically all retired during the succeeding spring."

I think it probable that a large part of the proposed issue might find occupation next fall, but I am not so sure that practically all put into circulation would be retired during the succeeding spring. This claim is comforting, however, in that it indicates that asset currency advocates have at last learned the true meaning of the word "elasticity." Not long ago an inflationist told me that he thought elasticity meant capacity for expansion. Now I think they begin to realize that elasticity is the tendency to return to an original condition. Contraction is not only an essential to elasticity, but it is the chief essential. It might be well to have a currency that would expand when needed, but it is more essential that it should contract when not needed.

Mr. Fowler's notes would doubtless go out in the fall, but how is he to get them back in the spring as he promises, and keep them in retirement until the legitimate demands of another fall call them again into active service?

He tells us that he provides all essential degrees of undesirability to his notes by depriving them of the reserve function, thus insuring this promised fall opening and spring closing on schedule time. This statement looks very well on paper in the dark, but it will not stand the light of practical experience.

The Fowler bill offers us a perfectly safe note. It is rendered undesirable by depriving it of the reserve function. The present National bank note is a perfectly safe note. It is rendered undesirable by depriving it of the reserve function.

Mr. Fowler says the average life of the present National bank note is 753 days. Can Mr. Fowler say why his perfectly safe note, deprived of the reserve function, would not remain out 753 days? Why does the present National bank note stay out 753 days? Because it is as absolutely safe as any other form of money in circulation. Because there is no good business reason why a bank should force redemption of the bills of other banks coming into its possession.

How is the present National bank currency handled when it finds its way into a bank? If it is mutilated, it is sorted as required by the department, and placed with the rags accumulating for redemption. If it is fit for circulation it is not segregated from other currency. At close of business you divide your total currency by five, six or seven according to the elasticity of your conscience. The result is your aggregate of National bank notes. You then subtract the amount of National bank notes thus discovered to be on hand from the total currency, and the remainder is your legal tender, and is a large part of your cash reserve. I have examined hundreds of National banks, and I have yet to examine one that did not "estimate" the amount of National bank notes on hand. Can anyone guess why they would not treat the perfectly safe Fowler note in the same way?

I am quite willing to concede that the New York banks do not and would not "estimate" the amount of National bank notes on hand. They live on a higher moral plane down there in New York than we do out here in the West. At least that's what Director of the Mint Roberts and other advocates of inflation claim. Mr. Roberts says the New York banks would send all such bank notes in for redemption as soon as received in order to obtain reserve money. What an unnecessary waste of time! And, by the way, if the New York banks now segregate National bank notes and promptly forward them for redemption to obtain reserve money in their stead, how is it possible that such notes remain in circulation until worn out, as Mr. Fowler claims? I have thought a very large proportion of the National bank note issue found its way into the New York banks before it was worn out.

Director Roberts and the rest may be assured that the New York banks would handle this proposed new bank currency in the way that would bring them most profit, and so would we all of us. However, I might suggest to the advocates of inflation that the assurance that New York bankers would promptly redeem this new currency to secure reserve money conveys no sense of comfort to the Western banker who would have to supply that reserve money. But such a contingency would hardly arise.

NOT ELASTICITY BUT "MORE MONEY."

There is no question of elasticity involved in this discussion. It is an offer of more money. It is an offer of a present addition of about $185,000,000 to the volume of our inflexible currency. It is offered to us on easy terms. We are told that our refusal to accept this offer to inflate the currency is prompted by selfishness. I cannot speak for others, but for myself, I know I could add not less than $15,000 per annum to the income of the bank with which I am connected, if this bill were to become a law. Yet I oppose it. I oppose it because I think it wrong in principle—it is a special privilege. I oppose it because it contemplates an outrage upon bank depositors. I know the advocates of this measure assert that the depositors would be in identically the same position as they are to-day, if first-lien-asset-currency were an accomplished fact. I am surprised that gentlemen who are students having a place in public esteem should attempt such transparent deception to quiet the fears of the depositors. I oppose this bill because I consider it a dangerous precedent. Within two years, finding that the promised spring closing did not materialize, there would be demand for a larger fall opening. I oppose this bill because no such degree of inflation is needed, nor is it desired by any considerable number of practical business men. The advocates of the bill declare the New York bankers do not want it. Certainly the Western bankers do not want it. The Western banks were never in such strong position are they are to-day. The situation in the West does not warrant this clamor for inflation. There is no menace to our prosperity in present financial laws. Now that the stock market sleeps, there is nothing threatening our commercial peace and quiet except the labor question. If the thinkers would avoid the next business crisis, panic and depression, let them solve the labor question. The conflict between labor and capital promises to be the cause of the next commercial disaster.

No, this propaganda is a demand for more money. And we do not need more money for legitimate purposes. I can see asset currency advocates prick up their ears hearing the word money used in this sense. Several of them have criticized Mr. A. J. Frame, an able opponent of asset currency, for this use of the word. I ask the inflationists to look into any unabridged dictionary before repeating this criticism. Money is any accepted medium of exchange. It might consist of shells, of beads, even of old shoes. It does embrace gold coin, silver coin, Government note issues, bank-note issues authorized by the Govern ment, the minor coins issued by the Government. Checks and drafts are also money in the broad sense. It is true that all our forms of money, except checks and drafts, are inelastic. But over 90 per cent. of our business is done in check and draft money. It is in this bank credit money that we find elasticity in its truest sense. Its volume is regulated by public needs and public confidence. The control is where it should be, with the public. It is in this great system of credits that we get the best kind of elasticity—automatic, adjustable, adaptable. The asset currency advocate asserts that the elasticity of our check and draft system does not answer our purpose, because it contracts when confidence contracts. They want a form of credit that will expand to fill the void created by retreating confidence. When confidence is strong every form of credit is brought into active service to the fullest limit of expansion. When confidence is weak the various forms of credit contract—the more undesirable the form of credit, the greater the degree of contraction. Therefore, quite naturally the greatest degree of contraction is in our volume of checks and drafts. This is a natural financial law that cannot be repealed by legislation.

I might discuss the multitude of misstated facts and perverted theories advanced by inflationists, but I have already taken too much of your time. A moment more and I am through. I have not burdened you with statistics. I might tell you that New York exchange was at a premium in Chicago last fall and so prove that the West had more than sufficient crop money. But that would be a perversion of the truth and conservatives are well pleased to leave the distortion of facts and figures to the radicals. I might prove by comparing Canada with the United States that branch banking and asset currency retard or rather prevent growth, while independent banks and bond-secured currency force the process of development. But I think it is a joke to compare Canada with the United States. And this is a serious subject. The radicals take the few banks that survived the privilege of issuing asset currency as proof positive that the 5,000 banks now in the National system and those of the 10,000 other banks that might come in looking for easy profit could be safely granted this same special privilege. The radicals tell us that we are money-lenders ignorant of finance. And we tell them that a banker or money-lender can get along quite comfortably without knowledge of finance, but a financier is sadly handicapped by ignorance of practical banking. They tell us we are unpatriotic. We retort most courteously that it is not always the fellow that can holler the loudest who is the most patriotic. We beg of them to teach us—to rescue us from the pits of ignorance, the depths of prejudice. Teach us to be more than mere money-lenders. Show us how to develop our lungs so that we too may be patriots. We are willing to learn. We would if we could reach the high eminence attained by financial experts, if the way were not obscured by an impenetrable mesh of sophistry and manufactured fact. Let them prove the need of this new currency. Let them show us how they will obtain the additional reserve money required. Let them present a plan for imparting elasticity to the issue and maintaining it. Let them prove that a depositor of a failed bank would be no worse off than under the present bond-circulation system.

The radicals ask us to listen to their views. We have been listening for these seven years past, and will patiently listen for seven years more. We will examine their plans, and stand ready to welcome with loud rejoicing a scheme to render the circulating medium elastic, without inflating it. They declare themselves opposed to inflation, and in favor of elasticity. The conservatives are opposed to inflation, and are in favor of elasticity. If words mean anything, the radicals and the conservatives are absolutely agreed. But the performances of the radicals are so very different from their promises. Both expert financiers and political financiers have offered many currency plans. They have come to us bearing the endorsements of the financial big wigs. And yet a boy in the primary class in finance knew not one of the plans would work as promised by their promoters. We have had the several Fowler bills all offering inflation without the slightest degree of elasticity. If Mr. Fowler is honest in his declared aversion to inflation, he would no more vote for his own bill than you, or I, or any other conservative would.

A "DANGER-SIGNAL" CURRENCY.

The very latest offering is Secretary Shaw's "danger-signal" currency. If an emergency arose, and you had the privilege of issuing this six per cent. red-light credit note, would you do it? Not if you could borrow sufficient to tide you over. You would pay eight or even ten per cent. for money sooner than advertise your weakness. Mr. Shaw probably threw out this administration suggestion to see how it would take. Well, it doesn't take.

Unless the advance agents of financial revolution can produce in the near future working plans for a credit currency that will contract and expand automatically, and yet never inflate our volume of money, nor decrease the depositors' security, I, for one, favor the passage of the Aldrich bill as the safest and most acceptable of the inflation measures. The first part of that measure, at least, should be given force of law. There is no urgent call for the passage of the latter part of the bill, contemplating as it does, an increase in the aggregate of bonds available as security for circulation.

I believe we are all agreed that the Government should cease to hoard its cash at a time when it is most needed by commerce. If other depositors pursued the same policy as the Government—if they, too, withheld their receipts from deposit when the products of the soil were awaiting distribution, a commercial cataclysm would sweep down upon us the very first fall. Why should the Government's operations be permitted to stand as a constant menace to trade? The general Government is more interested in the general welfare than any single individual. Why should the Government, then, with the utmost calmness, do every year what the individual never does except when in a panicky condition? There is no voice raised against the passing of the Sub-Treasury, except perhaps the politicians who are given place under the system. Then why not abolish the Sub-Treasuries, even if we have to pension the gentlemen in charge of them. The Government should keep all of its funds in the banks. The first part of the Aldrich bill provides the way. There can be no sound objection to the substitution of bonds other than governments as security for Government deposits, interest at the rate of 1½ per cent. to be paid on such deposits. There must always be special security for Government deposits, and the kind and character of the security must not be left to the discretion of any Government official. If it were otherwise, Government deposits would go to the banks favored of politicians. And the banks favored of politicians are seldom safe banks.

After the passage of the first part of the Aldrich bill, there would be nearly $160,000,000—1930—2's available for additional circulation. And this would be enough for some time to come. I know that some of the assetists think the taking out of circulation based on Government bonds in some occult way reduces the volume of loanable funds. But it doesn't. I can assure them that whatever circulation is taken out is just so much added to the general volume of currency.

Here we have all financial legislation needed for the present. We are not called upon to legislate for generations yet unborn. The Government would no longer be in a position to absorb our supply of money when needed most. There would be sufficient available bonds to provide a basis for such additions to our currency as might be needed for some time to come. And our system of bank credits would continue to provide the requisite elasticity. And confidence would be the elastic factor as it is now and ever will be, no matter what system you may adopt.

John Perrin, of Indianapolis, introduced the following resolution:

Resolved, That this convention appoint a committee of five members of this association to confer and act in conjunction with like committees appointed by bankers' associations of other States, and with such committees as that appointed by the Chicago Bankers' Club, with the purpose of following all proposed Federal legislation changing the present banking law or affecting banking interests, and to take such action as in their judgment the circumstances require.

This resolution was adopted and the following committe appointed: John Perrin, V. T. Malott and J. P. Frenzel, of Indianapolis; C. H. Worden, of Ft. Wayne and J. H. Cutler, of Evansville.

The following resolution was also adopted:

Resolved, That this association recommend to the coming Legislature that the three days of grace be stricken from the statutes; also that paper maturing on a holiday be payable the following day.

At the second day's session Hon. Charles N. Fowler, author of the Fowler bill, and Chairman of the Banking and Currency Committee of the House of Representatives, was introduced, and spoke in part as follows:

ADDRESS OF HON. CHARLES N. FOWLER.

Mr. Chairman, Ladies and Gentlemen—It gives me singular pleasure to address the bankers of the great State of Indiana. I am, indeed, keenly appreciative of the honor accorded by your invitation, not only to me personally, but also to the Banking and Currency Committee of the House of Representatives, of which I am the chairman.

Yesterday there appeared upon this platform a gentleman who took occasion to make a few remarks to which, in the outset, I would advert. With strange accuracy he described, in his own words, his speech. He used these peculiar words in conjunction: "Pessimistic gloom and gloat." When you go home and this speech is printed, keep those words in mind. I think you will agree with me that they accurately describe his remarks. He speaks of the radicals and of inflation, and since he mentions no other name in his speech but mine, I must be the King of the Radicals, the King of the Inflationists! The first speech I ever made in

Congress, in 1895, was in favor of a single gold standard. Now, that was an inflation speech. There were, at that time, as I recall it, two hundred and thirty-one Republicans, three of whom stood up for the gold standard. They were all inflationists; they were the radicals who, if they were in this building and it should take fire, would leave it immediately, while the conservatives would stay while it burned down over their heads. He asserted that asset currency could not be successful without branch banking. They have absolutely no relation to each other in principle. He says that it is impossible to combine perfect safety with perfect elasticity. If he means perfect, then I say he is correct, because there is nothing human that is perfect. But if he speaks humanly, then I say it can be perfect, as perfect as anything else human can be rendered perfect.

Does he mean to tell you that the bank notes of Canada are not perfectly safe? Does he mean to tell you that the bank notes of France, eight hundred million of them, are not safe? Does he mean to tell you that four hundred million of German notes are not safe? They are just as safe as human affairs make things safe; and they are, at the same time, perfectly elastic.

He said that I have assaulted the National bank note, because I said that no National bank note or National bank credit is bound to be redeemed in gold coin, and to prove it he said that I had stated that they could be redeemed in United States notes, which were, of themselves, worth nothing, or in silver dollars worth about thirty-five cents.

In what relation did I use that language? That is the question. In this relation: That I am one of those who believe that the banks of this country should furnish the gold with which to redeem their obligations, and not the United States Government. Is there a man here who thinks that the United States Government should go on forever responding to the call for gold through United States notes? If so I would like to see him rise. I would protect the credit of the United States against assault, and not assault it.

Then again, he said that the Fowler note is absolutely safe, and that it would circulate at par. When I read that, in the light of all the other things he said, I began to doubt whether it was. Now, I hope that I may not be quoted at some future time by some other person as having said that I doubted the safety of the Fowler note, because I believe that it is as good as gold coin. He said:

"The advocates of asset currency have at last learned the true meaning of elasticity." Eight years ago I introduced a bill for credit currency, providing for its constant redemption in gold coin.

He asserts that this propaganda is a demand for more money, and we do not need more money, but he winds up his speech by saying that if they will only pass this Aldrich bill it will give us a hundred and sixty millions of dollars for additional circulation, and that will be enough for some time to come. In another paragraph, in discussing the Fowler bill, he said it would add about a hundred and eighty-five millions to our currency. So you see we do not disagree very much as to the amount.

Then he said—I hope he is here. Is he here, Mr. Chairman? Is Mr. Flynn here?

THE PRESIDENT: Yes, I think he is present.

MR. FOWLER: Well, I hope he will listen, now, because I want him to answer a question or two after awhile. He said yesterday: "I might discuss the multitude of misstated facts and perverted theories advanced by the inflationists." Now, I want Mr. Flynn to rise in his place and give one misstated fact that I have ever given in any publication that I have ever sent out.

S. R. FLYNN, of Chicago: Mr. Fowler, pardon me, but I simply rise to make this statement: I did not care to make my discussion of asset currency or inflation a personal matter. My reference to Mr. Fowler was a necessity. He is the author of the Fowler bill. I was discussing the Fowler bill, and I referred to Mr. Fowler in terms of the utmost respect, and I have always done so. I have been exceedingly astonished at the way Mr. Fowler has treated my address: therefore, I refuse to enter into any discussion with Mr. Fowler on this point, because, as I say, I do not care to make this a personal matter. It is not personal with me.

MR. FOWLER: We are here to discuss truth and facts, and men who make speeches upon false assumptions to mislead the public must stand the judgment of honest men. I challenge you, sir, to make one allusion to one misstated fact that I have made in seven years in my speeches.

MR. FLYNN: And I challenge Mr. Fowler to point out in anything that I have ever written, or spoken, any charge against him.

MR. FOWLER: "I might discuss the multitude of misstated facts and perverted theories." Now, I do not know what a perverted theory is, myself. I could tell if a fact was brought forward that was misstated, but he will mention no fact that I have misstated. I will come, pretty soon, to the respect with which he has treated me, my friends, and you, I think, will know whether he knows how to treat a man with respect.

"We might tell of the troubles"—these are his words—"We might tell of the troubles that have come to the nations using asset currency." I challenge you, here and now, before this body, to mention one instance in this country, even in the early days, or in any country in the world, where the principle of credit currency has failed, as I propose.

MR. FLYNN: Mr. Fowler, will you allow me to make one more remark?

MR. FOWLER: You may have an hour.

MR. FLYNN: I want to know what your plan is.

MR. FOWLER: I will come to that in due time. He will state no case in two hundred years where the principle of a true credit currency has ever failed. No case in two hundred years.

Now, how respectful he was to me! Indeed, this is the most respectful treatment that I have ever had! "If Mr. Fowler is honest"—think of it—"in his declared aversion to inflation, he would no more vote for his own bill than you or I or any other conservative would." Isn't that the highest respect you could pay a man?

I am sorry, indeed, that circumstances have rendered it necessary that any man should be pilloried before an audience, but I felt that it was my duty to remove from your minds two things: First, that you have heard something based upon false assumption; and in the next place my good faith, my honor was challenged, when he uttered those words, and I felt that I must reply. For eight long years I have advocated certain reforms in this country. I introduced a bill in favor of retiring the demand obligations of the Government, and funding the debt in gold coin, and in favor of branch banks. I have lived long enough to see the accomplishment of two of those things, and I believe that I shall live to see a credit currency established. There is no other way out of your difficulty. I shall see the United States notes disposed of. If there shall be a retirement of United States notes upon the convening of the next session of Congress, I shall feel that I have not lived in vain, and that I have served my country to a degree.

Recently I was asked to make an authoritative statement of the financial and currency legislation I deemed essential to our present needs. In compliance with such request, I expressed my views as follows:

First. I urged the passage of a law requiring the National banks to carry at least 40 per cent. of their cash reserves in United States notes.

Second. I urge the passage of a law authorizing the Secretary of the Treasury to deposit all public moneys, from whatever source received, in excess of fifty millions, with such National banks as he may select, without requiring the deposit of Government bonds, but that such deposits shall be a first lien upon the assets of the banks with which they are deposited; provided, however, that the Secretary of the Treasury shall not deposit with any National bank an amount greater than 50 per cent. of its paid-up capital, and that the banks shall pay interest on such deposits of public moneys at the rate of 2 per cent. per annum, payable semi-annually.

JOHN PERRIN: Do you advocate the idea that the Government should have the first lien on the assets of the bank to secure its deposits in case the circulation was not based upon the bonds?

MR. FOWLER: Yes.

MR. PERRIN: The Government having first lien I would like to know what you have to say with reference to the rights of the depositor—where the Government has a first lien on the assets of the bank?

MR. FOWLER: Let me see if I get your question right. You ask me what relation the depositor would then sustain to the Government and to the bank note. It would be precisely the relation that he sustains to-day, the only difference being this: That to-day the Government has a first lien because the banker, before he gets the deposit, takes a certain portion of his money and buys bonds and hands them over to the Government, and that makes it a first lien; not only a first lien but an executed lien, the property being seized and segregated and set apart to secure the Government. In the case of the bank note, the law to-day provides that the bank shall not only deposit Government bonds to secure the bank notes, but if the Government bonds are not sufficient to pay the bank notes, the Government still has a first lien on the assets of the bank.

Therefore, with bank notes secured by bonds which are purchased out of the deposits or capital of the bank, the relation of the depositor would be identically the same under this law as it is to-day, not differing in the slightest degree. Do I answer your question, Mr. Perrin?

MR. PERRIN: Not entirely. If the assets of the bank are sufficient to pay fifty per cent. of the deposits, and the Government shares pro rata, or the note holder shares pro rata, the depositor in that case receives fifty per cent. of his deposit, but it is possible that the notes outstanding, where the Government had a prior lien, might absorb the entire assets of the bank, and the depositor be left with nothing.

MR. FOWLER: That is true. But if the bank had taken the fifty per cent. that was left and bought bonds with it, the depositors would have got nothing either. It would be the same position identically.

I now return to my plan. Third. I urge the passage of a law permitting any National bank which shall have and keep in circulation an amount of bank notes secured by Government bonds, as now provided by law, equal to fifty per cent. of its paid-up capital, to issue an amount of credit currency equal to twenty per cent. of its paid-up capital; one year thereafter to issue an additional amount equal to ten per cent of its paid-up capital: two years thereafter to issue an additional amount equal to ten per cent. of its paid-up capital, and three years thereafter to issue an additional amount equal to ten per cent. of its paid-up capital, making a total issue of credit currency of fifty per cent. of the paid-up capital. Such notes to be a first lien upon the assets of the banks issuing them, and the banks to pay a tax of two per cent. thereon per annum, payable semi-annually.

From an economic point of view, I submit the following observations as being obvious:

First. There is no reform at this time so important as the retirement of the demand obligations of the Government, thereby protecting the gold in the Treasury.

A law requiring the banks to hold forty per cent. of their cash reserves in United States notes will be no inconvenience to the banks, as to-day they voluntarily hold one hundred and sixty-three millions of them, and yet will lock up so large a portion of the notes as to completely divest them of the power of harm which they must have so long as they remain in general circulation.

Second. A law authorizing the Secretary of the Treasury to deposit all public moneys with the banks precisely as the great municipalities and giant business corporations of the country do theirs would place the Government in the same position as that now occupied by every other civilized government in the world.

Again, an investigation has demonstrated that if the Government had adopted this policy during the last twenty-four years, it would not have lost a single cent, but, on the contrary, the interest paid to the Government by the banks would have reached nearly fifty millions of dollars.

Third. There never can be a true, elastic currency, one that will expand and contract with the business of the country, which is not itself directly related to the transaction of that business, precisely as checks and drafts do, and disappearing like them when the work for which it was created has been accomplished.

That such a currency can be made absolutely safe has been demonstrated beyond peradventure; and, as one of the incidents of the law I urge that banks taking out credit currency for issue should deposit in the United States Treasury, in Government bonds or gold coin, an amount equal to five per cent. of the notes so taken out. This five per cent., together with the two per cent. interest upon Government deposits, and the two per cent. tax on the credit notes, should constitute a guaranty fund, but when said guaranty fund amounted to ten millions of dollars, the excess over such amount should be appropriated for the purchase of gold bullion, to be placed in the issue and redemption division of the Treasury for the purpose of converting the United States notes, not now covered by gold coin, into gold certificates. The effect of this plan would be to completely protect the Treasury against assault, the notes, as above observed, being rendered absolutely harmless in the meantime by being held as part of the bank reserves.

Some such legislation, as thus outlined, is, I am convinced, essential at this time to take the Government out of the banking business, to keep our surplus moneys in full and free circulation and to secure a currency, as safe as it is cheap, at all times automatically responsive to and adequate for the demands of trade. These are important questions, my friends, vitally affecting not only our home industries, but the broader markets of the world, where we are daily making ourselves more and more felt.

United States Senator Beveridge next addressed the convention.

The following officers were chosen: President, Walter W. Bonner, Cashier Third National Bank, Greensburg; vice-president, A. G. Lupton, Cashier Blackford County Bank, Hartford City; secretary, Andrew Smith, Assistant Cashier American National Bank, Indianapolis; treasurer, William C. Thomas, Cashier Logansport State Bank, Logansport; vice-presidents-at-large, William F. Churchman, Cashier Capital National Bank, Indianapolis, and Myron Campbell, Cashier South Bend National Bank, South Bend.

PENNSYLVANIA BANKERS' ASSOCIATION.

The ninth annual convention of the Pennsylvania Bankers' Association was held at the Hotel Schenley, Pittsburg, September 23 and 24.

Vice-President D. McK. Lloyd presided, President J. R. McAllister having been called from the convention by a death in his family.

Addresses of welcome were made by City Solicitor W. B. Rogers and James H. Willock, President Second National Bank, Pittsburg.

The annual address of President McAllister was read by A. A. Stevens, of Tyrone. After reviewing the work of the association, and pointing out the benefits conferred upon the bankers of the State, the address concluded as follows:

"A season of sanity and retrenchment is on. Only good can result from this. No worthy enterprise need suffer for the want of money. That propositions of great magnitude can be readily financed is proved by the success of the Pennsylvania Railroad in recently raising $90,000,000 on securities representing only $75,000,000 at par.

Material progress has been shown in every department of banking in this State during the past year. The statistics showing the business of our National banks are public property. We are especially interested in the condition of our State banking institutions. Since November 30, 1902, there have been chartered in this State fourteen banks and sixty-nine trust companies.

Official figures for the six months ending May 29 last show that our State institutions have increased their capital $10,544,000. The increase shown in surplus is $19,182,000. In deposits the increase is $42,177,000. In loans the increase is $24,988,000 and in investments the increase is $17,669,000. The same record shows a decrease in undivided profits of $858,000. All these figures prove that prosperity is still with us.

From the farms of the great 'out West,' from the cotton-belt of our New South, from the spindle-rooms of New England, from the coal-fields of Pennsylvania, and from all the markets of our wonderful country, we hear the cry 'All's well!' and may we not here to-day send a message to the world, 'All's well.'"

Secretary D. S. Kloss reported that the membership of the association is now 621, an increase of ninety-four since the date of last year's convention.

Treasurer Lindemuth made a satisfactory report of the association's finances.

L. K. Stubbs, Secretary of the Trust Company Section, made an interesting report, which was in part as follows:

"The first report of the State Banking Commissioner was made in 1892, and showed seventy-six trust companies with $89,000,000 deposits. The 1902 report showed 175 trust companies under the supervision of the department, with $266,000,000 deposits. Since which time, from figures obtained from the banking department, we learn that seventy-six trust companies have been organized.

The report of the Comptroller of the Currency, in 1891, showed that there were, in the United States, 171 trust companies, with $355,000,000 deposits. According to his report in 1902, there were 417 trust companies, with 1,500 million dollars deposits; an increase of over 300 per cent. in deposits between the dates of the two reports. Of this 300 per cent., 150 per cent. of the increase has taken place during the last five years.

These figures show the rapid growth and development of the trust companies in Pennsylvania and the country at large, and demonstrate the wisdom and necessity of organizing the Trust Company Section. The membership of the section has been largely increased during the last year. Special efforts toward increasing the membership have been made by means of circular matter issued from time to time. The results have been quite gratifying, and we now have 108 trust companies of this State enrolled as members."

Reports were presented from the banks in the eight groups into which the State is divided. They all told of exceptionally prosperous conditions.

Dwight M. Lowrey, a member of the Philadelphia bar, was introduced and delivered the following interesting and able address:

ADDRESS OF DWIGHT M. LOWREY.

Adam Smith once testily observed that it was impossible to hold a convention of men engaged in the same kind of business, without its resulting in a conspiracy against the public interest.

True enough, business men in convention assembled have often seemed to be chiefly occupied with schemes for raising prices, limiting production, and excluding competition.

For this reason, it is particularly refreshing to stand in the presence of an assembly like this, whose object is not gain, but improvement, not proscription but discussion; whose deliberations are concerned, first of all, with the problem of the greater efficiency of service, in the serene confidence that to them who serve well all things else shall be added.

The proud advance of our American people in general refinement and in liberal culture, is in nothing more marked than in the ever-increasing number and variety of the associations in which business men, of the same or kindred occupation, meet and exchange counsel and reflection upon the topics which lie closest to their observation.

It is difficult to over-estimate the broadening and elevating influence of such gatherings. They pleasantly interrupt the dull routine of commercial and industrial employment; they embellish a business connection with the graces of social intercourse; but more important still, they temper the strife of commerce with the spirit of philosophy, and throw into the somewhat close and selfish atmosphere of the counting-room an invigorating draught of free and scientific inquiry.

We may congratulate ourselves not merely that these things are done, but also upon the way in which they are done. The Americans are bringing the shop and the university together. We hear so constant and so great chatter about the intense materialism of our American civilization. We have been represented abroad, and we have come at home to believe ourselves, to be exclusively interested in the quest of the almighty dollar.

We are in business, it is true, and we are in business for profit, but the American is not sordid. Our success in acquiring wealth is not due to any extraordinary avarice. It is due rather to extraordinary power—not mere money-grabbing power, but wealth-creating power.

The wide range of subjects treated at your bankers' conventions exhibits a discussion which covers questions of law, of economics, of administrative regulation, of ethical standards, of business opportunity and of business duty; in fact, everything from the details of practical organization and accounting to broad generalizations upon business theory, and upon social conditions in this country and abroad.

When we remember that these terse and vigorous papers expressed in correct and often flowing English, touching not rarely on the most intricate problems of economic and social philosophy, and glowing at times with a genuine and lofty moral enthusiasm, are the work not of professional writers and investigators, but of men who stand, as the Germans say, "with their feet in affairs," we are close to the secret of that wonderful civilization which is unfolding in the United States.

The habit of mind which is illustrated by this and similar associations is the true explanation of our swift and irresistible advance.

We are outstripping our English cousins, because in a greater degree we bring to the consideration of business problems the spirit of scientific inquiry. Why not? The laws of trade and of manufactures, the problems of transportation, the organization and direction of labor, the custody and movement of money, the economic aspects of the habits, tastes, necessities and convenience of men, are subjects of as great dignity and as great difficulty as are the generation of bacteria, the relative position of the fixed stars, or the grandeur and decadence of the Roman Empire.

Business life in America gives ample play for, and indeed constantly displays, not mere smartness, but intellect of the highest order.

In the beginning, in New York, and in a measure, in Pennsylvania, a deliberate attempt was made to reproduce the old-world conditions of landed proprietorship. It failed.

The War of the Rebellion destroyed forever the prestige of the Southern planter, even in the South. But Virginia, through a century of glorious history, has shown us here at home what the patrician spirit can do, until at last, sinking in the death throes of her peculiar social order, her gallant and indomitable resistance, through four dark and bloody years, challenged the wonder and admiration of mankind.

BUSINESS MEN ARE GENTLEMEN.

No, the civilization of the United States is a business man's civilization. America's gentlemen are in business, and America's business men are gentlemen. They cultivate their minds and tastes. They read, write and converse well. They endeavor to know something of art and song and music. They send their children to school and to universities, and they spare no effort to gain contact with the refinement and polite custom of those whom the longer possession of ample means have permitted to acquire a more pleasing cultivation. They cover the land with colleges, universities, hospitals and homes and retreats for every form of distress. Not a river can overflow its banks, nor a fire burst forth in destructive energy, anywhere in the civilized world, but our business men, promptly and without ostentation, contribute of their store to the relief of suffering. Slowly and surely we are working out a new and strange social order.

THE BANKER A POWERFUL FACTOR IN SOCIETY.

The lawyer is still a convenient spokesman, the clergyman is still an honored guide, but the leadership and relative importance of these two professions is gone forever. They have taken their places in the ranks of the social army. The real social leaders are the men of affairs, the bankers, the railroad managers, the engineers, the merchants and the manufacturers.

They are not content with owning newspapers, they write books and contribute essays to the magazines. They have no need to employ counsel to present their views and advocate their interests before the public, still less do they confine themselves to the collection of data for clever writers to arrange and exploit; on the contrary, they address societies and conventions, and they go upon the hustings to discuss public affairs and to influence the expressions of the popular will. These things were practically unknown fifty years ago.

Two business men are contending to-day for the leadership of the State of Ohio. Both are the possessors of large fortune, accumulated by their own labors. Both are experienced and able public debaters. They differ in manner and method, but both are vigorous thinkers; and it safe to assume that in the coming canvass each will say many things that his opponent might profitably ponder on. Both are ambitious for wealth and power, but only a narrow intelligence will question the genuine patriotism of either.

Some persons are seriously disquieted by what they call the growing influence of the money power. To their heated imaginations the time is close at hand when what they somewhat vaguely style "capital" will seize the reins of government and enslave the great body of the people.

It would comfort these fearful souls if they did but reflect that men of wealth are apt to be endowed with foresight—otherwise, they would not be wealthy. Why should they want to enslave their neighbors? Slaves cannot buy goods. And if the wealthy cannot sell goods, what will become of their wealth? No nation ever yet was corrupted and destroyed by wealth which was the product of its own honest toil. We are not engaged in dividing the booty of conquered tribes. Our workers and business men create what they enjoy.

A sagacious writer has very justly remarked that men are rarely so innocently and beneficently employed as when engaged in making money. Society may sometimes be fretted and annoyed, but it will never be seriously injured by combinations of capital, however great, which have for their object the production of new wealth, its transportation to distant points, and its distribution among different communities.

The wealthy are not apt to forget, though critics may, that accumulated wealth is useless except for its value in exchange. And the moment exchange begins, its hoarded benefits are quickly and sensibly disseminated among the entire community, aiding and stimulating others to like helpful accumulation and enjoyment.

The change which is noticeable in America is manifesting itself in the old world as well. That social and political leadership which for centuries has belonged to the men who, by their ownership of the soil and of natural opportunities, were enabled to lay continuing tribute upon those who produce and distribute wealth, is throughout all Europe now rapidly passing into the hands of the men who organize and direct the industrial forces of the world.

It is curious to note the frenzied and discordant protest with which the representatives of the old order attempt to roll back the mighty change. We may rely on the people to deal with them. Our people know that declamation, though it may bewilder, cannot check a social tide. I mean the well-intentioned protest that comes from the literary and professional classes.

A CARICATURE OF THE BUSINESS MAN.

France to-day is seriously discussing a new and vigorous play, entitled "Business is Business." It was produced at the leading theatre of Paris last April and immediately printed in book form. The book has had an enormous sale, and the play itself a loud acclaim. You are threatened with a reproduction of it on the American stage this winter. Its literary and artistic merit is undoubted, but need not concern us. Its social significance arrests attention. Its chief figure is a gross and ignorant libel on the modern man of affairs; a vile, lecherous, tyrannical, prosperous thief, whose vast fortune is built up on force and fraud, wet with the tears of widows and orphans, and stained with the blood of friends deceived. He buys and manacles the press, invades and degrades the church, cajoles and deludes the electors, humiliates and prostitutes to the service of his mean ambition the ancient nobility, whose state he envies and emulates, but whose dignity and tradition are incomprehensible to his vulpine intellect. His daughter he holds for sale for a title, and as he disappears from view he pauses to sign a syndicate agreement before he goes to throw himself on the dead body of his only son.

On both sides of the Atlantic the people who write reviews are holding up this distorted horror as a type of the modern movement; politicians of a certain sort here are voicing the same evil calumny. Newspapers of a certain sort are with unwearying clamor repeating the same wild and mendacious strain. They are all willing to slander what they do not understand.

THE TRUE PORTRAIT OF A BUSINESS MAN.

Shall we not, then, emphatically declare what the American business man really is? I do not mean to sublimate him. Sometimes, with broken harness and battered shield, he comes laden with booty up from the field where he left his honor.

Nevertheless, it may be confidently asserted that there is no great wealth in this country which is founded solely on force and fraud. The wealth of America is the sure proof of the virtue of America; for the production and accumulation of wealth presuppose virtue. Honesty in business is not only the best policy, it is the only policy. Men whose long lives of business accomplishment proclaim their general good practice, sometimes do things that will not stand scrutiny—but no mere knave ever was, or ever can be, a business success. Knavery in business is as fatal as cowardice in war.

If our industrial organizations were, as is often confidently asserted, conceived in fraud, and developed in iniquity—the whole fabric had long since fallen to pieces.

Putting aside some special forms of property like the ownership of a corner lot, which sometimes wears the aspect of legalized plunder, and speaking generally—a man's wealth is the measure of the service he has rendered to mankind.

"Business is business." This is no mere aphorism of cynical avarice. On the contrary, it indicates a profound truth. It means that the laws, standards and methods of business are peculiar to themselves, and social progress demands a strict adherence to their requirements. The same thing is true of war, religion, government and every other form of human activity. It does not mean that bad methods are good, because they may yield a momentary financial advantage. Still less does it mean that business is robbery—nor that spoliation and chicane are its characteristic features.

Business does not undermine the character of good men—it strengthens and establishes it. Thackeray understood this when he wrote The Newcomes. Colonel Newcome is, perhaps, the finest gentleman on the pages of English fiction, and there is a text for a hundred sermons in his sententious remark: "Money is character."

In truth, business is the foundation on which all civilization rests. The accumulation of wealth is the first condition and prerequisite in the development of sound knowledge, polite culture and pure religion.

And just in proportion as knowledge increases, as manners soften, as in religion superstition gives way to the thirst for righteousness, business broadens its lines, extends its sympathies and elevates its standards, without in the slightest departing from its essential rule and method.

No thoughtful man supposes that we have attained perfection in business ethics in this country, but every man in this hall over forty years of age can testify from his own experience to a constant improvement. There has been a steady improvement in the direction of better goods, fair prices and prompt payment. Lower rates and better service is the watchword. Not as a concession to our poverty, but as the triumphant accomplishment of our increasing wealth. Short weights and cunning are the weapons of the poor; rising affluence gives us fixed standards and good measure. The term shoddy, which was in every man's mouth when we were boys, has practically disappeared from the vernacular.

CREDIT ON A SOUND BASIS.

Credit is on a sounder basis than ever before. In 1837 and again in 1857 every bank in the United States suspended payment. Such a condition of affairs is inconceivable now. The laws have been changed, it is true, but the difference is not due to the law. The new laws are due to the rising intelligence and to the hardening moral fibre of the business world. Business makes civilization and civilization reacts on business, with ample usury. Standards and methods are improving as well as laws. The sense of co-ordination and interdependence is growing. In 1837 and 1857 the banks of this country stood separate and alone. During the first nine months of this year, when we were purging ourselves of "undigested securities" and letting water out of three per cent. stocks, the banks stood shoulder to shoulder. The stronger helped the weaker and all combined to distribute and carry the load of failing fortune, to the end that the general business of the country might be sustained.

In these days, when so much turgid rhetoric is poured forth over the cornering of money and the "cross of gold," it would be well if the true story of that time of stress could be brought home to the American public. It would, I believe, convince all that the American banker tends more and more to consider his position one of public trust. The law says that the bank is only a debtor to its depositors, and that its stock is a commercial venture—but good bankers, and they are the majority, do not stop there.

The rise of the trust companies has, no doubt, contributed to the growth of the new sentiment. These companies, indeed, have a capital stock on which they hope to earn substantial profit; they receive deposits for which they are liable only as for debt, and they deal in their own and their depositors' funds for gain. But they go farther. They definitely assume all the positions of trust and confidence known to our social needs. They are at the same time banks and trustees, and they have tended powerfully to permeate all the circles of banking with the rare atmosphere and high standards of the fiduciary relation. The standards and responsibility of the trust department tone up and steady the bank.

All standards of honor are class standards, and it takes time for them to grow. It takes time for the class to crystallize so as to enforce its traditions. Banks, as we know them, are hardly more than 200 years old. But the time is not far distant when no bank President can, without ostracism, aid one set of speculators to get control of a railroad company, by suddenly calling the loans made to rival owners of the stock.

The banker of to-day is prudent; to-morrow he will be impartial. It will then be no more possible to use the power of a bank as a weapon of destruction than it is now to so use the Treasury of the United States.

Such a President will take his place with Benedict Arnold and Marshal Bazaine. No law can reach him. He will die of the contempt of his class.

This is no new thought to you. Your deliberations have always pointed in that direction. Certain it is that society will find its best, perhaps its only sure, protection against the machinations of the selfish rich, and the insurgence of the resentful and uninstructed poor, in the development and enforcement of your own high principle that banking is a public trust.

D. C. Wills, of Pittsburg, gave an account of the aims and operations of the American Institute of Bank Clerks.

W. H. Smith, of the State Banking Department, gave a history of the recent banking growth of the State, and Hon. Charles G. Dawes, President of the Central Trust Co. of Illinois, Chicago, and former Comptroller of the Currency, spoke in opposition to a general scheme for asset currency. He thought such an issue should be highly taxed, and that note-holders should not be given a first lien on the assets of insolvent banks.

The following officers were elected, after which the convention adjourned:

President—D. McK. Lloyd, President People's Savings Bank, Pittsburg.

Vice-President—W. H. Peck, Vice-President Third National Bank, Scranton.

Secretary—D. S. Kloss, Cashier First National Bank, Tyrone.

Treasurer—E. E. Lindemuth, Treasurer Clearfield Trust Company.

Delegates to American Bankers' Association: R. J. Stoney, of Pittsburg; W. J. McLear, Philadelphia; Grier Hersh, York; H. D. Flanagan, Nanticoke.

MARYLAND BANKERS' ASSOCIATION.

A joint convention of the Maryland Bankers' Association and the District of Columbia Bankers' Association was held September 24 and 25 on board the steamer Norfolk, a trip being made down the Potomac River and Chesapeake Bay.

Charles T. Crane, President of the Farmers and Merchants' National Bank, Baltimore, presided. In his annual address he referred to the spirit of gambling, which had led to inflation and subsequent depression in the stock market, but said that most of the industrial and commercial interests of the country were in a sound condition.

Hon. Leslie M. Shaw, Secretary of the Treasury, made an address. He said that the Government either must issue more bonds as a basis for National bank circulation or provide some substitute. The present volume of Government bonds, he said, is insufficient, and the price of these securities has advanced to a figure that make

National bank circulation unprofitable. But, he added, any currency system adopted must provide for complete exchangeability of every form of money, so that our people never would have cause to look twice at bills presented in the regular course of business.

Speaking of the functions of a bank, he said its success should not be measured by its dividends, but by its solvency, conservatism, and promptness to respond to its customers' legitimate needs. Its reserves, in his opinion, should be available for use in times of emergency and are not intended to be buried and never touched. The recent deposits of public moneys and offers to redeem bonds had not been made, he said, with any expectation of aiding the stock market, but solely to assure the business men of the country there would be no money famine this autumn. In conclusion he said:

"Go home and tell your merchants and your manufacturers and your railroad people that you are still doing business at the old stand and expect to remain. Stand by the business interests of the country and all will be well. The prosperity of the American people is not measured by the price of stocks and bonds, but by the output of our farms and our factories and the profitable employment of labor."

Hon. Ellis H. Roberts, Treasurer of the United States, spoke on the large increase in the stock of gold in the country, the gain since 1898 having averaged nearly $80,000,000 annually. He said that the nation's prosperity rests on a sure and steadfast foundation.

OHIO BANKERS' ASSOCIATION.

The Ohio Bankers' Association met at Columbus, September 23 and 24. There was decided opposition to any legislation which would lead to asset currency. It was declared as the sense of the association that bank notes should be issued only on Government bonds. The preamble of the resolutions offered by a committee of which J. J. Sullivan, of Cleveland, was chairman, was stricken out by the convention, and the following resolution alone was adopted:

"*Resolved*, That the Ohio Bankers' Association favors such financial legislation as will enable the Secretary of the Treasury to place in circulation the surplus revenue of the Government, now aggregating many millions of dollars, together with such other financial legislation as may be found wise, safe, and entirely consistent with the principles of sound finance."

The rejected preamble declared that the present currency is inadequate to meet the increasing demands of trade at certain seasons of the year. In advocating the adoption of the report Mr. Sullivan complimented Secretary Shaw for his "able and courageous course" in coming to the relief of the country when there has been stringency in the money market.

Henry Flesh, Cashier of the Citizens' National Bank, Piqua, was elected president of the association. The other new officers are: vice-president, Charles A. Hinsch, President Fifth National Bank, Cincinnati; treasurer, H. C. Herbig, Cashier Commercial Banking Co., Coshocton; secretary, S. B. Rankin, Cashier Bank of South Charleston.

The Cashier and His Hat.—F. P. Hills, Cashier of the Delaware (Ohio) Savings Bank Co., recently saved a three-hundred-foot trestle on the Pennsylvania Railroad from burning by carrying water in his derby hat. While visiting his farm Hills discovered that the trestle was on fire. The water barrels placed near by the company were filled, but no buckets were at hand. Taking his new fall hat and carrying water in it for almost an hour, he put out the blaze just a short time before an express train went by at a speed of a mile a minute.

AMERICAN BANKERS' ASSOCIATION

TWENTY-NINTH ANNUAL CONVENTION, TO BE HELD AT THE CALIFORNIA THEATRE, SAN FRANCISCO, CAL., OCTOBER 20, 21, 22 AND 23.

Delegates and Visitors will please register at the Secretary's temporary offices at Palace Hotel.

ORDER OF PROCEEDINGS.

(Subject to change by vote of the Executive Council or by vote of Convention.)

FIRST DAY, WEDNESDAY, OCTOBER 21, 1903.

Convention called to order at 10 o'clock A. M., by the president, Mr. Caldwell Hardy, of Norfolk, Va.

(Vice-presidents and members of the Executive Council are requested to take seats on the platform.)

Prayer by the Right Rev. William Ford Nichols, Bishop Episcopal Diocese of California.

Roll call.

Address of welcome to the City of San Francisco by the Hon. Eugene E. Schmitz, mayor.

Address of welcome to the State of California by the Hon. George C. Pardee, Governor.

Address of welcome to the American Bankers' Association by the Hon. James D. Phelan, on behalf of San Francisco bankers.

Reply to addresses of welcome, and annual address by the president of the association, Mr. Caldwell Hardy.

Annual report of the Secretary, Mr. James R. Branch.

Annual report of the Treasurer, Mr. George F. Orde.

Report of the Auditing Committee.

Report of the Executive Council, by the chairman, Mr. E. F. Swinney.

Report of the Protective Committee.

Report of the Currency Committee, by the chairman, Hon. Chas. S. Fairchild.

Report of the Committee on Uniform Laws, by the chairman, Mr. Frank W. Tracy.

Report of Committee on Bureau of Education, by the chairman, Mr. Robt. J. Lowry.

Report of Committee on Fidelity Insurance, by the chairman, Mr. John L. Hamilton.

Practical Banking Questions.

(Discussion limited to thirty minutes for each topic; open to all delegates under the five-minute rule; time to be extended by unanimous consent.)

1. Money Orders of Bankers' Association.—Address by Mr. L. P. Hillyer, Cashier American National Bank, Macon, Ga.

Meeting of Delegates from the States and Territories to appoint the Nominating Committee, in accordance with Article III, Section 2 of the Constitution, which reads as follows :

SEC. 2. Immediately after the first adjournment that occurs in the session of the annual convention, the delegations from each State and Territory shall meet, at which several meetings the respective vice-presidents of the States and Territories, if present, shall preside, and these meetings of representatives from the States and Territories shall each select a member who shall, with others so selected, constitute and be a Committee on Nominations. The committee may make its report at any subsequent session of the convention, but its nominations shall not exclude the name of any persons otherwise nominated in the convention. The delegates from the several State Banks and Bankers' Associations shall assemble and meet apart after the first adjournment, and, in such manner as they may determine, shall nominate to the convention five names for members of the Executive Council, who shall be members of this association, provided that no State association shall thus be represented by more than one member of the Executive Council. No delegate from any State association shall, however, be eligible unless he is a member of the American Bankers' Association. The election for president, first vice-president and for five members of the Executive Council to be chosen by the association shall be by ballot, unless otherwise ordered.

SECOND DAY, THURSDAY, OCTOBER 22, 1903.

Convention called to order at 10 o'clock a. m., by the President.

Prayer by the Rev. George C. Adams, Pastor First Congregational Church.

Announcements.

Practical banking questions.

Discussion limited to thirty minutes for each topic; open to all delegates under the five-minute rule; time to be extended by unanimous consent.

2. The Currency—Address by Hon. William B. Ridgely, Comptroller of the Currency.

3. Address by Mr. Homer S. King, President Wells Fargo Bank, San Francisco, Cal.

4. Money Supply of the United States—Address by Mr. J. E. McAshan, Cashier South Texas National Bank, Houston, Texas.

Call of States. Statements limited to five minutes, by bankers, of the general condition of business in their various States.

THIRD DAY, FRIDAY, OCTOBER 23, 1903.

Convention called to order at 10 a. m., by the President.

Prayer by the Rev. Bradford Leavitt, Pastor First Unitarian Church.

Unfinished Business.

Practical Banking Questions.

(Discussion limited to thirty minutes for each topic; open to all delegates under the five-minute rule; time to be extended by unanimous consent.)

5. Education of Bank Clerks—Address by Mr. J. B. Finley, President Fifth National Bank, Pittsburg, Pa.

6. Effects of the Inflow of Gold—Address by Hon. Ellis H. Roberts, Treasurer of the United States.

Continuation of Discussion of Practical Banking Questions.

Report of Committee on Nominations. Elections.

Installation of Officers Elected.

Attention is called to the following: Article VII., Section 1, of the Constitution, reads as follows:

ARTICLE VII.

SECTION 1. Resolutions or subjects for discussion (except those referring to points of order or matters of courtesy) must be submitted to the Executive Council in writing at least *fifteen days* before the Annual Convention of the Association; but any person desiring to submit any resolutions or business in open Convention may do so upon a two-thirds vote of the delegates present, the resolution or business may be referred to the Executive Council to report upon immediately; provided that this shall not apply to any proposed amendment to the Constitution.

TRUST COMPANY SECTION.

The Convention of this Section will be held at 10 o'clock A.M. at the California Theatre, Tuesday, October 20, 1903.

SAVINGS BANK SECTION.

The Convention of the Savings Bank Section will be held in the Academy of Sciences building, No. 819 Market Street, at 3 o'clock P.M., October 20, 1903.

1. Address by Chairman.

2. Secretary's Report.

3. Report of Chairman of Executive Committee.

4. Discussion of practical Savings bank questions, and reading of following papers:

(a) "Bond Accounts," by Col. Chas. E. Sprague, Ph.D., President Union Dime Savings Bank, New York.

(b) "Savings Bank Advertising," by Lucius Teter, Cashier Chicago Savings Bank, Chicago, Ill.

(c) "Dangers Threatening Savings Banks," by Fred Heinz, President Farmers and Mechanics' Savings Bank, Davenport, Iowa.

(d) "Trust Accounts," by Wm. Hanhart, Secretary.

(e) "Failed Savings Banks," by Hon. Willis S. Paine, LL.D., Metropolitan Savings Bank, New York, ex-Superintendent of Banks.

5. Election and Installation of Officers.

HOTELS.

Rates will be: European plan—$1.50 and upwards per day per person. American plan—$2.50 and upwards per day per person. Rates vary according to location, size of room and whether rooms are occupied by one or two persons.

All delegates should secure hotel accommodations in advance. Write direct to F. H. Colburn, Secretary Hotel Committee, 208 Parrott Building, San Francisco, stating requirements explicitly; number of rooms desired, number of persons who will occupy same, American or European plan, rate willing to pay per person per day, and date of arrival in San Francisco. State also name and address of each person for whom quarters are desired, as this information will be of service to reception and entertainment committees.

The Hotel Committee is on the ground, is anxious to make satisfactory arrangements, and can do so if afforded sufficient time.

CLUBS AND ASSOCIATIONS.

Upon registering at headquarters, delegates will be presented with cards of invitation to various social clubs and commercial organizations.

REGISTRY ROOMS, MARBLE ROOM, PALACE HOTEL.

Members of the Local Committee will be in constant attendance. Also for the convenience of the members, competent stenographers, well-informed clerks, and a corps of messenger boys will be provided. In the Registry Rooms will be found the wires of the Western Union Telegraph Company (free use to members for family and social messages), Postal Telegraph and Cable Company (free use to members for family and social messages), Pacific States Telephone and Telegraph Company (free use of local telephone service to members).

ENTERTAINMENTS.

The local committee has arranged for the entertainment of the delegates and their ladies as follows:

Tuesday Afternoon, October 20th, the Century Club will tender a reception to the visiting ladies from 4 to 6 o'clock, at the Club Rooms, 1215 Sutter Street.

Tuesday Afternoon and Evening, October 20th, informal reception to all at Headquarters, Palace Hotel.

Wednesday Evening, October 21st, a reception will be tendered to the delegates and ladies at the Mark Hopkins Institute of Art, corner California and Mason Streets, at 8.30 o'clock.

Thursday Afternoon, October 22.—A steamer has been chartered for a twenty-five mile trip around the Bay of San Francisco.

Thursday Evening, October 22.—Theatrical performance.

Friday Afternoon, October 23.—Special athletic entertainment at Sutro's Baths, and a visit to Cliff House, Sutro Heights and Seal Rocks.

Saturday, October 24.—Choice of trips to points of interest within 125 miles of San Francisco, as follows:

First. To Asti, California, where the guests will be given an opportunity to inspect the model vineyards of the Italian-Swiss Colony.

Second. If visitors prefer, they may ascend Mt. Tamalpais, via the "crookedest railroad in the world."

Third. They may leave San Francisco by special train making first stop at Palo Alto, affording delegates an opportunity to inspect Leland Stanford, Jr., University, proceeding thence to the city of San Jose, California, at which point they will be entertained by the San Jose bankers and given a drive through some of the large fruit orchards.

Fourth. Another delightful trip will be made from San Francisco direct to the famous California resorts, Del Monte and the old town of Monterey.

Delegates, will, upon arrival at headquarters, please advise the Entertainment Committee which of these trips they prefer to make. The local committe of arrangements strongly urges all visitors to delay homeward departure until October 25 at the earliest.

Reduced Railroad Rates to the Convention.

Central, Michigan, and New England Passenger Associations, and Trunk Line Association have granted a rate of eighty per cent. of double the one-way first-class fare, via route of ticket for the round trip from points in the territory of the Central Passenger Association to the gateways of the Trans-Continental Passenger Association (Cairo, Chicago, Hannibal, Peoria and St. Louis) added to the following round trip fares rendered by the Trans-Continental lines.

Dates of Sale.—Tickets may be sold October 7 to 16, 1903, inclusive; also on October 17 for such trains as will deliver passengers to trans-Continental lines in time to leave either Cairo, Chicago, Peoria, Hannibal or St. Louis on the same day. In no event, however, should passengers reach the gateways named earlier than October 8, nor later than October 17, 1903.

Final Return Limit, November 30, 1903.—The Trans-Continental, Southwestern and Western Passenger Associations and Canadian Pacific Railway and Soo Line have granted the following rates:

Rates to San Francisco and Los Angeles, Cal.

One lowest normal first-class limited one-way fare for the round-trip for tickets going and returning via regular direct routes, usual diverse routes to apply.

Tickets, destination San Francisco, may also be sold going direct, *returning* via Portland and Shasta Route or O. R. & N. Co. steamer at $13.50 higher than direct line rates to San Francisco.

Tickets, destination Los Angeles, reading for going passage via Ogden, may also be sold *returning* via Portland and Shasta Route or O. R. & N. Co. Steamer at $13.50 higher than direct line rates to Los Angeles.

On tickets from Texas and Louisiana and Albuquerque, N. M., one way via Portland, add $18.50, of which amount, $5 shall accrue in division to the lines via Huntington or Billings.

No rate shall be made less than $71.40 for tickets returning through Portland and Saint Paul.

The extra charge for return via Winnipeg and Saint Paul above rate authorized for return through Portland and Saint Paul direct will be $10.

DATES OF SALE.

From points east of but not including Colorado common points (Cheyenne to Trini- inclusive), and east of El Paso and Dalhart, October 8 to 17, 1903, inclusive.

From Colorado common points (Cheyenne to Trinidad, inclusive), and west thereof, and from El Paso, Delhart and west thereof, October 9 to 18, 1903, inclusive.

The final return limit, November 30, 1903.

TRANSIT LIMITS.

Going—Going transit limit to be November 25, 1903, going passage to begin on date of sale to be continuous up to first Colorado, Wyoming or Texas point en route; west thereof and east of California, stop-overs may be made at any point within thirty days from date of sale; within California, stop-overs may be made at any point up to November 25, 1903.

Returning—Return passage to begin on date of execution. Joint agent at destination will execute tickets by attaching validation certificates thereto. Return journey from destination must be commenced on date stamped and punched on validation certificate. Joint agent at destination will punch return transit limit same as usual limit for one-way limited ticket. Stop-overs will be allowed within final limit, November 30, 1903, at and west of Colorado common points (Cheyenne to Trinidad, inclusive), Fort Worth, San Antonio, Delhart, and points west of Saint Paul, Minneapolis, Duluth, Fort William and Alliance, Neb.

To secure such stop-over, in case of return over direct lines or through Portland and Huntington tickets must be deposited with agent at point of stop-over immediately upon arrival, except that it will be unnecessary to deposit ticket if passenger can reach final destination within transit limit punched by Joint Agent at San Francisco or Los Angeles, as the case may be, or if stop-over is desired at Portland. If passenger desires to stop over so that the transit limit punched by Joint Agent at San Francisco or Los Angeles will not admit of his reaching starting point within such limit, when passenger is ready to resume journey the agent having ticket on deposit will attach paster making transit limit from such point to final destination the usual one way limit.

When tickets read returning via Portland thence via Northern Pacific, Great Northern, or Canadian Pacific Railways, Joint Agent at San Francisco or Los Angeles, as the case may be, will punch final limit November 30, 1903. When stop-over is had on those lines, it will be unnecessary to deposit ticket with agent at point of stop-over.

East of Fort Worth, San Antonio, Delhart, and Colorado common points (Cheyenne to Trinidad inclusive), Saint Paul, Minneapolis, Duluth, Fort William, and Alliance, Neb., tickets to be good only for continuous passage.

When stop-over is desired at Ogden, Salt Lake City, Pueblo, Colorado Springs, or Denver and the usual one way limit will not suffice for passengers to reach starting point, tickets must be deposited with, and an extension paster issued by joint agents at those points, as follows:

* Colorado Springs, Col., N. Underhill, cor. Cascade and Pike's Peak Aves., 7.30 A.M. to 10 P.M. daily.

* Denver, Col., N. Underhill, Room 53, Union Depot, 7.30 A.M. to 10.30 P.M., daily.

Ogden, Utah, C. A. Henry, Union Depot, 7 A.M. to 7 P.M. daily, also 30 minutes before departure of all night trains.

* Pueblo, Col., N. Underhill, Union Depot, open all day and night.

Salt Lake City, C. H. Griffin, Room 2, Central Block, 46½ West Second Street, 7.30 A.M. to 8.30 P.M., daily.

Tickets will be sold from San Francisco and Los Angeles, from October 11th to November 25th, at one regular first-class fare and one-third for round trip, minimum 50 cents, to all points in California, to holders of tickets from points beyond Ogden, El Paso, Portland, Albuquerque, sold at reduced rates account Bankers' Convention. Also to holders of nine months' round trip tickets, and friends accompanying; limit 30 days, but not later than November 25th; stop-overs within limit. Tickets will be sold to Yosemite Valley, including rail-stage transportation and hotels beyond Raymond, from San Francisco; four days' trip $48.50; five days, $50; nine days, $60; fourteen days, $70. From Barenda, four days' trip, $40.60; five days, $42.10; nine days, $52.10; fourteen days, $62.10.

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* Joint Agencies in Colorado Springs, Denver and Pueblo remain open until Oct. 31, 1903, only. After that date, tickets must be deposited with agent of Terminal Lines at Colorado Springs, Denver, or Pueblo, over which they read. Joint Agencies in Ogden and Salt Lake City remain open the year round and all tickets on which stop-overs are had at those points must be deposited with the Joint Agencies.

THE NATIONAL BANK OF COMMERCE IN NEW YORK.

The merger of the Western National Bank of the United States with the National Bank of Commerce in New York, which became effective on October 5, adds another to the number of very large and strong banks of the country. In point of size, measured by capital and deposits, the National Bank of Commerce ranks with the two or three largest banks on the Western Hemisphere. Its capital is $25,000,000, the surplus $10,000,000, and the deposits of the combined banks at the outset will be about $120,000,000. Judging from the history of previous banking consolidations it may be expected that the momentum gained by the merger will soon carry the deposits far above these figures.

The National Bank of Commerce has a unique and interesting history. It was organized January 1, 1839, under the Free Banking Act passed by the New York Legislature in 1838, and commenced business April 3, 1839. In 1865 it became a National institution, and a special act was passed to induce it to enter the National banking system. This act exempted the shareholders of the bank from what is known as the double liability provision of the National Banking Act, and was extended to the National Bank of Commerce on account of its large capital and surplus, and for the further reason that it was recognized at the time that the National banking system would be greatly strengthened by the entrance of a bank as strong and powerful as the National Bank of Commerce.

Mr. Valentine P. Snyder, who becomes President of the National Bank of Commerce, has had a remarkably successful banking career. Under his management the Western National Bank became one of the largest and most prosperous banks in the city. It absorbed the National Bank of the United States a short time ago, and the merger of the Western National Bank of the United States and the National Bank of Commerce has been made possible largely by Mr. Snyder's energy and financial foresight.

The officers and directors of the National Bank of Commerce in New York are:

Officers: President, Valentine P. Snyder; Vice-Presidents, J. Pierpont Morgan; R. A. McCurdy, President of the Mutual Life Insurance Co.; James H. Hyde, Vice-President of the Equitable Life Assurance Society; Thomas F. Ryan, Vice-President Morton Trust Co., and Henry A. Smith; Cashier, W. C. Duvall; Assistant Cashiers, C. L. Robinson, Neilson Olcott, J. S. Alexander, Oliver I. Pilat, H. B. Fonda, E. A. Montell, Jr., and Clarence Foote.

Directors: James W. Alexander, George F. Baker, Charles T. Barney, E. J. Berwind, C. Ledyard Blair, John Claflin, Frederic Cromwell, H. C. Deming, Chauncey M. Depew, John F. Dryden, James B. Duke, George J. Gould, Daniel Guggenheim, G. G. Haven, Jos. C. Hendrix, Thos. H. Hubbard, James H. Hyde, Adrian Iselin, Jr., Brayton Ives, James N. Jarvie, A. D. Juilliard, Otto H. Kahn, John S. Kennedy, Luther Kountze, Daniel S. Lamont, Woodbury Langdon, Charles Lanier, Richard A. McCurdy, William H. McIntyre, A. W. Mellon, David H. Moffat, J. Pierpont Morgan, Levi P. Morton, Walter G. Oakman, F. P. Olcott, Alexander E. Orr, James H. Parker, Chas. A. Peabody, Elihu Root, Charles H. Russell, Thomas F. Ryan, Jacob H. Schiff, Valentine P. Snyder, Frederick Sturges, H. McK. Twombly, H. H. Vreeland, William C. Whitney, George W. Young.

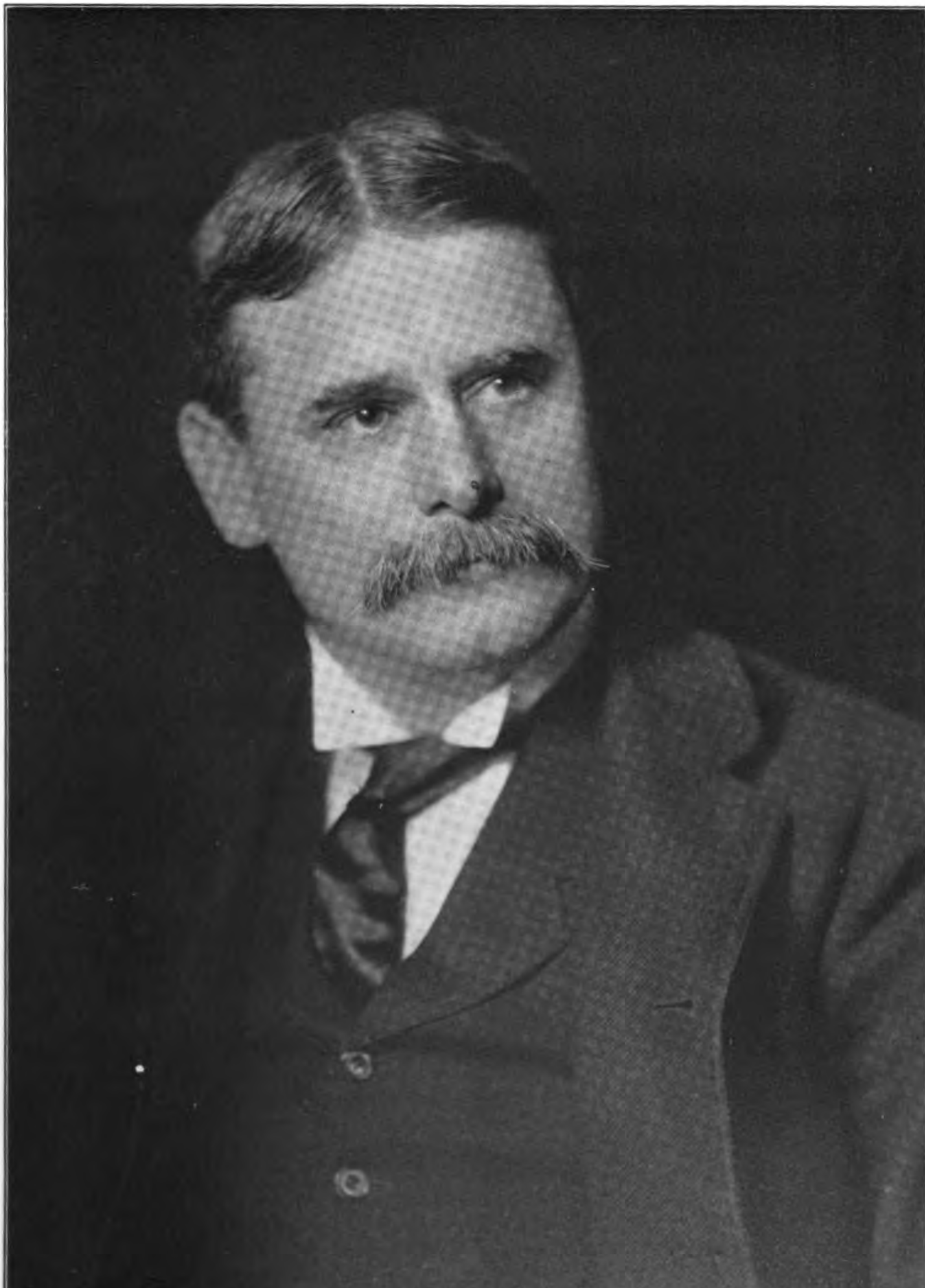

Photo. by Pirie MacDonald.

VALENTINE P. SNYDER,

PRESIDENT NATIONAL BANK OF COMMERCE IN NEW YORK.

BANKING AND FINANCIAL NEWS.

This department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—The Bankers' Trust Company, which has been located at 143 Liberty street, has removed into commodious and handsomely-appointed offices at No. 7 Wall street, in the heart of the financial district of the city.

—Messrs. George D. Cook & Co. recently announced that the coupons of the United States of Mexico five per cent. silver bonds were paid October 1 at the New York Security and Trust Company at the exchange rate of 223¼ or about 44¾ for Mexican dollars. This is the highest rate the coupons have received since they have been payable in New York city.

—A branch of the Mechanics and Traders' Bank, to be known as the Long Acre Square Branch, has been opened at Thirty-sixth street and Broadway, with Richard A. Purdy as Manager.

—A compilation of the banking laws of the State of New York relating to Savings banks has just been issued by the Bowery Savings Bank, the work having been done by Henry A. Schenck, Comptroller of the bank. The pamphlet contains the Savings Bank Law of 1892 and the amendments enacted since that date.

—Geo. M. Cumming, formerly first vice-president of the Erie Railroad, was elected Vice-President of the United States Mortgage and Trust Co. October 1.

—At a meeting of the board of directors of the International Banking Corporation, October 2, James S. Fearon, agent of the corporation at Shanghai since the establishment of that branch, in 1901, was unanimously elected a director and Vice-President. Mr. Fearon lived in China nearly thirty-four years as the senior partner of the old-established house of Fearon, Daniel & Co. He was the delegate of the United States on the Commission of Bankers appointed under the Peking protocol and having to do with the method of payment of the periodical installments of the Chinese indemnity.

—The merger of the Western National Bank of the United States with the National Bank of Commerce became effective October 5. Valentine P. Snyder, formerly President of the Western National Bank of the United States, succeeds Joseph C. Hendrix as President of the National Bank of Commerce. The Vice-Presidents of the bank are: President R. A. McCurdy of the Mutual Life Insurance Co., Vice-President James H. Hyde, of the Equitable Life Assurance Society, J. Pierpont Morgan, Thomas F. Ryan and Henry A. Smith.

—The Corn Exchange Bank, which has heretofore maintained its Harlem Branch at 153 West 125th street, has leased the property at 101 West 125th street for a term of five years.

NEW ENGLAND STATES.

Boston.—It was announced on September 29 that the Second National Bank had absorbed the business of the National Suffolk Bank. The capital of the enlarged institution will be $2,100,000. Thomas P. Beal will continue to be President of the Second National Bank, and Wm. C. Williams, Cashier of the National Suffolk Bank, will be Cashier. Six directors from the Suffolk have been added to the board of the Second National.

—At the annual election of the Boston Stock Exchange September 28 the following officers were elected; President, Charles C. Jackson ; Vice-President, Henry L. Higginson ; Treasurer, Sidney Chase; Governing Committee for two years, Hazen Clement, Henry W. Dodds, Manning Emery, William A. Paine, John Parkinson, and Charles W. Tewksbury.

MIDDLE STATES.

Philadelphia.—On September 19 the Philadelphia National Bank celebrated its one-hundredth anniversary. The bank was chartered by the Pennsylvania Legislature in March, 1804, and opened for business September 19, 1803. George Clymer, one of the signers of the Declaration of Independence, was the first President. The other Presidents have been David Lenox, John Read, Samuel F. Smith, Thomas Robins, Benjamin B. Comegys and N. Parker Shortridge.

Probably the official best known in connection with the Philadelphia National Bank was Mr. Comegys, who was generally recognized as one of the leading bankers of the United

States, and his long and successful career is indissolubly connected with that of the bank. Mr. Comegys began his service in the bank as a clerk in May, 1848, being rapidly promoted until he was appointed Cashier in 1851, and afterward Vice-President, and then President, which latter office he held until his death in March, 1900.

During the one hundred years of its existence the Philadelphia Bank has paid its stockholders dividends amounting to 936 per cent., aggregating $14,104,372 in cash.

A unique feature of the bank is its "Clerks' Pension Fund," which is for the benefit of its superannuated employees. It was the first corporation to institute this admirable feature, having begun it in 1854 with a capital investment of $30,000, the principal fund now being $120,000, which is held in trust, and kept entirely separate from the assets of the institution.

The bank's business has grown to large proportions, the deposits amounting on September 9 last to $25,826,798.

The officers of the bank are: N. Parker Shortridge, President; Lincoln Godfrey, First Vice-President; Levi L. Rue, Second Vice-President and Cashier, and Harry J. Keser, Assistant Cashier.

Pittsburg.—The Equitable Trust Company of this city has sold a controlling interest to the Knickerbocker Trust Company of New York at $190 a share.

SOUTHERN STATES.

Atlanta, Ga.—At the annual meeting of the Atlanta Clearing-House Association September 8, the following officers were chosen: President, Thomas J. Peeples, Cashier of the Maddox-Rucker Banking Co.; Vice-President, W. F. Manry, Cashier Neal Loan and Banking Co.; Treasurer, Thomas C. Erwin, Assistant Cashier Third National Bank; Secretary and General Manager, Darwin G. Jones.

—Frank Orme was recently elected Assistant Cashier of the Maddox-Rucker Bank. He has been in the employ of the bank for thirteen years, and has won promotion by careful attention to the duties of the various positions he has filled. The business of the bank has greatly increased in the past few years, making the appointment of an Assistant Cashier a necessity.

Norfolk, Va.—The merger of the City National Bank with the National Bank of Commerce, which was officially announced on August 29, will add a considerable volume of desirable accounts to the business of the National Bank of Commerce. The merger will not cause any change in the officers or management of the National Bank of Commerce.

WESTERN STATES.

Cleveland, Ohio.—The Reserve Trust Co. has absorbed the Genesee Savings and Banking Co., which had a capital of $50,000.

Green Bay, Wis.—The capital of the McCartney National Bank was recently increased from $50,000 to $100,000 and the surplus to $50,000.

St. Louis, Mo.—The Mississippi Valley Trust Co. in its official statement of September 9 reported $27,869,440.01 total resources.

—The problem of clearing country checks is being studied by the St. Louis Credit Men's Association.

Excelsior Springs, Mo.—This popular health resort is to have a National bank. A. M. Moore and others of Holton, Kansas, and Ponca, Oklahoma, are the organizers. Mr. Moore is a son of a prominent banker at Holton, has had considerable experience as a banker, and has very strong connections. Excelsior Springs is regarded as a first-class location for a National bank, and Mr. Moore's success is considered as certain.

Failures, Suspensions and Liquidations.

Arkansas.—The Bank of El Dorado, with $50,000 capital, closed August 24.

Indiana.—R. Ellison, doing a banking business at La Grange, suspended September 16. He was also owner of the Ellison Bank, of Topeka, Ind., which closed on the same day. It is estimated that the deposits of the two banks are about $300,000.

Ohio.—The Bank of Willoughby was closed September 10, owing to the failure of a manufacturing company, of whose paper the bank was a large holder.

Massachusetts.—The Packard National Bank, of Greenfield, suspended September 30. It was one of the best-known banks in Western Massachusetts. Large withdrawals of deposits and inability to realize on loans fast enough to meet demands caused the failure.

Pennsylvania.—The Bolivar National Bank, of Bolivar, Pa., organized in 1901 with $30,000 capital, suspended October 1, with deposit liabilities amounting to $92,878.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report. Names of officers and other particulars regarding these new National banks will be found under the different State headings.

NATIONAL BANKS ORGANIZED.

6939—First National Bank, Clarks, Nebraska. Capital, $25,000.
6940—First National Bank, Clinton, Oklahoma. Capital, $25,000.
6941—Citizens' National Bank, Spencer, Iowa. Capital, $50,000.
6942—National Bank of Shamokin, Shamokin, Pennsylvania. Capital, $100,000.
6943—First National Bank, Watertown, Ohio. Capital, $25,000.
6944—Washington National Bank, Burgettstown, Pennsylvania. Capital, $50,000.
6945—Merchants' National Bank, Santa Monica, California. Capital, $50,000.
6946—People's National Bank, Shippensburg, Pennsylvania. Capital, $50,000.
6947—First National Bank, Stuart, Nebraska. Capital, $25,000.
6948—First National Bank, Clintonville, Pennsylvania. Capital, $25,000.
6949—First National Bank, Harris, Iowa. Capital, $25,000.
6950—First National Bank, Ringtown, Pennsylvania. Capital, $25,000.
6951—First National Bank, Erie, Illinois. Capital, $25,000.
6952—First National Bank, Charlestown, Indiana. Capital, $25,000.
6953—First National Bank, Hull, Iowa. Capital, $35,000.
6954—First National Bank, Rush City, Minnesota. Capital, $25,000.
6955—Farmers' National Bank, Burlington, Kansas. Capital, $25,000.
6956—National Bank of Commerce, San Antonio, Texas. Capital, $300,000.
6957—Citizens' National Bank, Glenwood Springs, Colorado. Capital, $25,000.
6958—First National Bank, Morgan, Utah. Capital, $25,000.

APPLICATIONS TO ORGANIZE NATIONAL BANKS APPROVED.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice:

First National Bank, Gaylord, Kansas: by Geo. R. Parker, *et al.*
First National Bank, Dallas, Oregon: by W. D. McDonald, *et al.*
Tenth National Bank, San Francisco, California; by Fred G. King, *et al.*
City National Bank, Lodi, Ohio; by P. R. Miller, *et al.*
First National Bank, Lancaster, Wisconsin; by P. T. Stevens, *et al.*
First National Bank, Buckingham, Iowa; by W. G. McCornack, *et al.*
First National Bank, Hancock, Minnesota; by J. S. Wilson, *et al.*
Citizens' National Bank, Birmingham, Alabama; by John H. Frye, *et al.*
First National Bank, Angola, Indiana; by Cyrus Cline, *et al.*
First National Bank, Montoursville, Pennsylvania: by G. H. Woolever, *et al.*
First National Bank, Carlton, Minnesota; by A. D. Davidson, *et al.*
First National Bank, Blakely, Georgia; by A. G. Powell, *et al.*
Rice's Landing National Bank, Rice's Landing, Pennsylvania, by R. L. Biddle, *et al.*
First National Bank, Otego, New York; by B. Cook Broadfoot, *et al.*
First National Bank, Taloga, Oklahoma; by J. C. Strang, *et al.*
First National Bank, Excelsior Springs, Missouri; by C. S. Jobes, *et al.*
First National Bank, Ulen, Minnesota; by C. J. Lofgren, *et al.*
First National Bank, Winthrop, Minnesota; by J. J. McGuire, *et al.*
First National Bank, Beallsville, Ohio; by R. L. Bowman, *et al.*
National Bank of Middlesborough, Middlesborough, Kentucky; by R. C. Ford, *et al.*
First National Bank, Hunter, North Dakota; by J. H. Gale, *et al.*
First National Bank, Wauseon, Ohio; by S. O. Rothfuss, *et al.*
First National Bank, Ottawa, Ohio; by David N. Powell, *et al.*
Merchants' National Bank, Brownsville, Texas; by J. G. Fernandez, *et al.*
Burnet National Bank, Burnet, Texas; by C. W. Howard, *et al.*
Cando National Bank, Cando, North Dakota; by D. F. McLaughlin, *et al.*

First National Bank, Avoca, Pennsylvania; by Frank W. Larned, *et al.*
Farmers' National Bank, Van Alstyne, Texas; by C. C. Walsh, *et al.*
Miners' National Bank, Eveleth, Minnesota; by W. J. Smith, *et al.*
First National Bank, Monterey, California: by B. G. Tognazzi, *et al.*
First National Bank, Calvin, Indian Territory; by J. J. Cloughley, *et al.*
First National Bank, River Falls, Wisconsin; by F. H. Welcome, *et al.*
First National Bank, Aurelia, Iowa: by James F. Toy, *et al.*
Third National Bank, Groesbeck, Texas; by A. M. Blackmon, *et al.*
First National Bank, Alta, Iowa; by James F. Toy, *et al.*
First National Bank, Akron, Iowa; by James F. Toy, *et al.*
Citizens' National Bank, Middletown, Pennsylvania; by D. W. C. Laverty, *et al.*
First National Bank, Saxton, Pennsylvania; by D. M. Stoler, *et al.*
First National Bank, Frost, Texas; by J. L. Halbert, *et al.*
Herring National Bank, Vernon, Texas; by C. T. Herring, *et al.*
First National Bank, Lineville, Alabama; by R. L. Ivey, *et al.*
First National Bank, Le Sueur, Minnesota: by W. A. Patten, *et al.*

APPLICATION FOR CONVERSION TO NATIONAL BANKS APPROVED.

Humboldt State Bank, Humboldt, Kansas; into Humboldt National Bank.
Industrial Bank of West Virginia, Chester, West Virginia; into First National Bank.

NEW BANKS, BANKERS, ETC.

ARKANSAS.

CASA—Bank of Casa; capital, $10,000; Pres., H. C. Harkey; Cas., B. F. Lewis.

DE VALL'S BLUFF—Bluff City Bank; capital, $10,000; Pres., Warren Maxwell; Cas., J. B. Reynolds.

QUITMAN—Bank of Quitman; capital, $10,000; Pres., J. M. Jenkins; Vice-Pres., C. H. Martin; Cas., R. L. Kane.

CALIFORNIA.

EMERYVILLE - Syndicate Bank; capital, $50,000; Pres., E. A. Heron; Vice-Pres., Sanford Bennett; Cas., A. L. Chase.

LIVERMORE—Livermore Valley Bank; capital, $50,000; Pres., W. G. Palmanteer; Vice-Pres., C. H. Wente; Cas., L. M. McDonald.

QUINCY—Plumas County Bank; capital, $12,500) Pres., C. J. Lee; Cas., H. H. Flournoy.

SANTA MONICA—Merchants' National Bank; Capital, $50,000; Pres., T. R. Dudley; Vice-Pres., Wm. Vawter: Cas., Geo. F. Doty.

WHITTIER—Whittier Savings Bank; capital, $12,500.

COLORADO.

EAGLE—Eagle Valley Bank; capital, $5,000.

GLENWOOD SPRINGS — Citizens' National Bank; capital, $25,000; Cas., G. H. Bell.

GRAND JUNCTION—Union Trust and Banking Co.; capital, $50,000; Pres., G. Van Hoorebeke; Vice-Pres., Wm. E. Dudley; Cas., D. T. Stone.

DELAWARE.

WILMINGTON—International Bank and Trust Co. of America: Herbert Compton, Manager. —— Wilmington Trust Co.; capital, $500,000; Pres., T. Coleman du Pont; Vice-Pres., Henry P. Scott; Treas., S. D. Townsend.

GEORGIA.

OCILLA—People's Bank; Pres., J. W. Paulk; Vice-Pres., J. E. Howell; Cas., R. H. Johnson.

IDAHO.

NEZ PERCE—Farmers' State Bank (successors to Farmers and Merchants' Bank and Kettenbach & Co.); capital, $35,000; Pres., L. N. Swift; Vice-Pres., F. F. Johnson; Cas., C. W. Nelson.

PARMA—Parma State Bank, Lt.; capital $30,000; Pres., E. M. Kirkpatrick; Vice-Pres., F. E. Fisk; Cas., R. H. Sammons.

SAND POINT—Bank of Sand Point; capital $25,000; Pres., J. A. Humbird; Cas., F. E. Catlin.

ILLINOIS.

ARMSTRONG—Bass Bro's. Bank; (successor to Goodwine Bank); Pres., A. S. Bass; Cas., Fred Bass; Asst. Cas., D. E. Goodwine.

BEAVERVILLE—H. Lambert & Son; capital, $10,000.

BLOOMINGTON—McLean Co. Bank; capital, $100,000; Pres., Lee Rust; Cas., R. T. Lain; Asst. Cas., A. S. Eddy.

CHICAGO—Jackson Trust and Savings Bank; capital, $250,000; surplus $50,000; Pres., Wm. H. Eagan; Vice-Pres., R. W. Stevens and Louis M. Stumer; Cas., C. T. Champion.

ERIE—First National Bank; capital $25,000; Pres., Robert L. Burchell; Cas., Robert C. Burchell.

FAIRLAND—Fairland Banking Co. (successors to Farmers' Bank); Pres., Paris Robinson; J. A. Corbett; Cas., E. M. O'Neill.

FLORA—Citizens' State Bank (successors to Citizens' Banking Co.); capital, $25,000; Pres., H. C. Barnard; Vice-Pres., A. E. Shinn; Cas., C. C. Smith; Asst. Cas., S. M. Little.

HERRIN—Herrin State Sav. Bank; capital, $25,000; Pres., Thos. Stotlar; Vice-Pres., W. N. Stotlar; Cas., P. N. Lewis.

MAQUON—Maquon State Bank (successor to Bank of Wm. Swigart); capital, $30,000; Pres., Wm. Swigart; Cas., H. F. Townsend.

——Bank of Maquon; Pres., F. C. Bearmore; Cas., Freda Bearmore.

MOUNT VERNON - Mount Vernon State and Savings Bank; capital, $80,000; Pres., Sam Casey; Vice-Pres., Chas. E. McAtee; Cas., Rufus Grant; Asst. Cas., B. A. Marshall.

NORTH CHICAGO—North Chicago Savings Bank; capital, $25,000; Pres., C. E. Saylor; Cas., J. A. Barton.

PLEASANT HILL—Citizens' Bank; capital, $12,000; Pres., N. R. Schultz: Cas., C. C. Thomas.

SALEM—Salem State Bank; capital, $50,000; Pres., L. M. Kagy; Vice-Pres., John S. Stonecipher; Cas., Benj. M. Smith.

INDIANA.

CHARLESTOWN—First National Bank; capital, $25,000; Pres., John F. McCulloch.

FORT WAYNE—Tri-State Loan and Trust Co.; capital $150,000; Pres., C. A. Wilding; Vice-Pres., W. E. Mossman; Sec., G. W. Pixley; Asst. Sec., F. C. Heine.

MECCA—Mecca State Bank; capital, $25,000; Pres., Lucius Teter; Vice-Pres., F. J. Urbam; Cas.. A. E. Coen.

INDIAN TERRITORY.

HUGO—Choctaw Exchange Bank; capital, $15,000: Pres., W. W. Wilson; Vice-Pres., G. W. Blakeney; Cas., R. D. Wilbor.

IOWA.

CHARLOTTE—Charlotte Savings Bank (successor to Charlotte Exchange Bank); capital, $25,000: Pres., A. J. Albright; Vice-Pres., P. C. Hansen; Cas., F. L. Butzloff.

MECHANICSVILLE – Mechanicsville Savings Bank; capital, $25,000; Pres., D. H. Snoke; Vice-Pres., W. C. Page; Cas., E. Webbles.

HARRIS—First National Bank; capital, $25,-000; Pres., Frank Y. Locke; Cas., C. H. Royce.

HULL—First National Bank (successor to State Bank); capital, $25,000; Vice-Pres., J. H. Blatherwick; Cas., J. S. Wilson.

ONSLOW - Onslow Savings Bank (successor to Onslow Bank); capital, $10,000; Pres., C. L. Niles; Cas.. W. J. McCready.

SPENCER—Citizens' National Bank; capital, $50,000: Pres., Franklin Floete; Vice-Pres., Andrew R. Smith; Cas., Ackley Hubbard; Asst. Casrs., Bell O. Tupper and Alice E. Hubbard.

UDELL—Bank of Udell; capital, $10,000; Pres., J. P. Jordan; Cas., O. C. Jordan.

KANSAS.

AURORA—First State Bank; capital, $10,000; Pres., W. W. Bowman; Vice-Pres., F. O. McDonald; Cas., T. A. Wilson.

BUCKLIN – Western State Bank; capital, $10,000; Pres., John Swayze; Vice-Pres., A. W. Guerin; Cas., Margaret Kane.

BURLINGTON – Farmers' National Bank; capital, $25,000; Vice-Pres., J. S. Kennedy, Jr.; Cas., Chas. N. Converse.

HAVILAND—Haviland State Bank; capital, $10,000; Pres., G. W. Lemon; Vice-Pres., O. H. Bock.

PRAIRIE VIEW—Prairie View State Bank; capital, $10,000; Pres., C. Van Diest; Vice-Pres., P. M. Harmon; Cas., S. E. Ware.

WAVERLY—Commercial State Bank; capital, $10,000; Pres., J. C. Fear; Cas., J. M. Osborn.

KENTUCKY.

CERULEAN SPRINGS—Bank of Cerulean Springs; capital, $7,500; Pres., R. P. Turney; Cas., W. C. Rice.

HILLSBORO—Hillsboro Deposit Bank; Pres., O. B. Graham; Vice-Pres., James H. Shepherd; Cas., S. A. Dowd.

MIDDLESBORO—Citizens' State Bank; capital, $25,000: Pres., J. R. Gilliam; Cas., A. I. Miller.

MORGAN—Farmers' Bank; capital, $17,000; Pres.. J. M. Ewin: Vice-Pres., W. H. Crain; Cas., W. M. Northcutt.

MORGANTOWN—John M. Carson Banking Co.; capital, $20,000: Pres., B. H. Guffy; Cas., Jno. M. Carson.

MOUNT ZION—Mount Zion Deposit Bank; capital, $15,000; Pres., D. A. Franks; Vice-Pres., J. F. Tomlin; Cas., Bruce H. Franks; Asst. Cas., W. M. Northcutt.

ROCKY HILL—Bank of Rocky Hill; capital, $15,000; Pres., H. Y. Davis; Cas., W. V. Bell.

UTICA—Utica Deposit Bank; capital, $7,500; Pres., Wm. Huebner; Vice-Pres., S. B. Lee; Cas., R. Scott Williams.

LOUISIANA.

MONTGOMERY—Bank of Montgomery; Pres., J. M. Wardlow; Vice-Pres., J. H. Williams; Cas., L. D. Wardlow.

MAINE.

ROCKLAND—Security Trust Co. (successor to Lime Rock National Bank); capital, $50,000; Pres., G. W. Berry; Treas., J. C. Perry.

MARYLAND.

WALKERSVILLE-Walkersville Savings Bank; Pres., C. M. Thomas.

MICHIGAN.

ONAWAY–Onaway State Savings Bank; capital, $25,000; Pres., John Young; Vice-Pres., Hobart D. Churchill; Cas., J. Frank Morford.

PLYMOUTH—Plymouth United Savings Bank; capital, $75,000; Pres., C. A. Fisher; Vice-Pres., T. V. Quackenbush; Cas., E. K. Bennett; Asst. Cas., C. S. Butterfield.

MINNESOTA.

CLARKS GROVE—State Bank; capital, $10,-000; Pres., Alfred Christopherson; Vice-Pres., John C. Johnson; Cas. Chas. E. Paulson.

OTTERTAIL—Bank of Ottertail; capital, $12,-000; Pres., N. J. Shafer; Cas., Chas. Sanders.

ROSSEAU — Farmers and Merchants' State Bank; capital, $12,000; Pres., D. E. Tawney; Vice-Pres., John R. Mitchell; Cas., A. H. Foss; Asst. Cas.. Carl Van Rohr.

RUSH CITY—First National Bank; capital, $25,000; Pres., F. H. Wellcome; Vice-Pres., S. C. Johnson; Cas., W. G. Babcock; Asst. Cas., G. N. Ericson.

WINNEBAGO CITY—Fairbault County State Bank; capital, $40,000; Pres., David Secor; Vice-Pres., E. B. Soper; Cas., W. A. Streator.

MISSOURI.

JACKSONVILLE—Jacksonville Savings Bank; capital, $10,000.

META—Bank of Meta; capital, $7,000; Pres., H. L. Bird; Vice-Pres., T. L. O'Brien; Cas., F. H. Isenberg.

WINFIELD—Winfield Banking Co.; capital, $10,000; Pres., F. D. Hardesty; Vice-Pres., Jno. D. Birkhead; Cas., E. B. Medcalf; Asst. Cas., Chas. F. Miller.

MONTANA.

HAVRE—Security State Bank; Pres., J. S. Almas; Vice-Pres., Wallace E. Chase; Cas., Robert T. F. Smith; Asst. Cas., A. S. Chase.

VIRGINIA CITY—Madison State Bank (successor to Hall & Bennett); capital, $50,000; Pres., A. J. Bennett; Vice-Pres., A. P. Hall; Cas., Amos C. Hall.

NEBRASKA.

CLARKS—First National Bank (successor to Merrick County Bank); capital, $25,000; Pres., O. W. Eaton; Vice-Pres., A. D. Sears; Cas., W. Chamberlin; Asst. Cas., J. T. McLean.

DIXON—Dixon State Bank (successor to Dixon Bank); capital, $14,000; Pres., Ed. O'Flaherty; Vice-Pres., R. F. Delay; Cas., W. P. Truax.

PRIMROSE—Primrose State Bank; capital, $5,000; Pres., Robert H. Allerton; Vice-Pres., C. N. Thompson; Cas., H. J. Fowler; Asst. Cas., Will Spencer.

STUART—First National Bank (successor to Stuart Bank); capital, $25,000; Pres., L. M. Weaver; Vice-Pres., T. F. Memminger; Cas., John Laird; Asst. Cas., N. F. Crowell.

NEW YORK.

BLISS—Bliss Banking Co.; Pres., John T. Symes; Vice-Pres., Fred M. Bristol; Cas., Guy W. Hill.

NORTH CAROLINA.

BELHAVEN—Bank of Belhaven; capital, $15,000; Pres., C. P. Aycock; Cas., W. E. Stubbs.

LILLINGTON—Bank of Cape Fear; capital, $50,000; Pres., R. M. Young; Vice-Pres., E. F. Young; Cas., T. C. Young.

ROCKY MOUNT—Rocky Mount Savings and Trust Co.; capital, $10,000; Pres., Thomas H. Battle; Vice-Pres., James C. Brasenell; Cas., F. P. Spruill.

NORTH DAKOTA.

BOWESMONT—Bowesmont State Bank; capital, $10,000; Pres., L. T. Sowle; Vice-Pres., and Cas., R. C. Sowle; Asst. Cas., E. C. Sowle.

DONNYBROOK—Bank of Donnybrook; capital, $10,000; Pres., Oscar C. Olsen; Vice-Pres., A. M. Olsen; Cas., Margaret L. Olsen.

DUNSEITH—Dunseith State Bank; capital, $10,000; Pres., Geo. F. Porter; Cas., P. M. Conobay.

HAZELTON—Bank of Hazelton; capital, $5,000; Pres., C. B. Little; Vice-Pres., Jos. Hare; Cas., S. M. Pye; Asst. Cas., Geo. H. Naramore.

RICHBURG—First International Bank; capital, $10,000; Pres., J. F. Morrison; Vice-Pres., F. A. Rinkel; Cas., Jno. F. Neville.

SENTINEL BUTTE—Interstate Bank of Billings County; capital, $10,000; Pres., H. H. Hunter; Vice-Pres., A. L. Martin; Cas., Lewis F. Crawford.

TURTLE LAKE—First State Bank; capital, $10,000; Pres., D. R. Hevener; Vice-Pres., Chas. P. Nienhauser; Cas., F. D. Hevener.

OHIO.

NEWARK—Newark Trust Co.,; capital, $100,000; Pres., T. O. Donovan; Vice-Pres., S. J. Davis and Edward Thomas; Cas., J. H. Newvahner.

WATERTOWN—First National Bank; capital, $25,000; Pres., J. A. Arnold; Vice-Pres., C. H. Scott; Cas., Wm. Biedel.

OKLAHOMA.

CLINTON—First National Bank (successor to Clinton State Bank); capital, $25,000; Pres., T. J. Nance; Vice-Pres., C. E. Billingsley; Cas., C. W. Goodwin.

CUSTER CITY—People's State Bank; capital, $10,000; Pres., C. O. Leeka; Cas. H. C. Arnold.

GERONIMO—Citizens' Bank; capital, $5,000; Pres., M. I. Porter; Cas., Jos. L. Porter; Asst. Cas., Mary Porter.

MORRISON—Citizens' Bank; capital, $6,000; Pres., C. W. Swearingen; Vice-Pres., W. A. Hunt; Asst. Cas., J. L. Liggett.

PECKHAM—State Bank; capital, $10,000; Pres., A. A. Stratford; Cas., T. B. Stratford.

SHATTUCK—Commercial Bank; capital, $10,000; Pres., Robert Moody; Cas., R. A. Moody.

PENNSYLVANIA.

AMBRIDGE—Ambridge Savings and Trust Co.; capital, $125,000; Pres., James A. Huston; Vice-Pres., H. C. McEldowney; Sec. and Treas., F. C. Schroeder.

BURGETTSTOWN — Washington National Bank; capital, $50,000; Pres., John A. Ray; Cashier, Sam H. Hughes.

CARBONDALE—Liberty Discount and Savings Bank; capital, $50,000; Pres., A. J. Casey; Vice-Pres., John Murrin and J. J. Mullins; Cas., Charles E. Downing.

CLINTONVILLE—First National Bank; capital, $25,000; Pres., Jno. M. McKee; Cas., B. M. McKee.

RINGTOWN—First National Bank; capital, $25,000; Pres., James Bankes; Cas., H. H. Zulich.

SHAMOKIN—National Bank of Shamokin (successor to First National Bank); capital, $100,000; Pres., John Mullin; Cas., Geo. C. Graeber.

SHIPPENSBURG—People's National Bank; capital, $50,000; Pres., A.A. Aughinbaugh; Cas., Howard A. Ryder.

ST. MARYS—St. Marys Trust Co.; capital, $125,000; Pres., J. K. P. Hall; Vice-Pres., Andrew Kaul; Treas., L. J. F. Rooney.

SOUTH CAROLINA.

CENTRAL—Bank of Central; Pres., J. N. Morgan; Vice-Pres., B. J. Johnston; Cas., F. B. Morgan.

DONALDS—Bank of Donalds; Pres., W. K. Stringer; Vice-Pres., R. A. Lewis; Cas., Jas. C. Booker.

SOUTH DAKOTA.

LANE-Farmers' State Bank; capital, $5,000; Pres., F. G. Vessey; Cas., E. H. Wood.

LANGFORD—Langford State Bank; capital, $10,000; Pres., R. R. Roberts; Vice-Pres., A. J. Anderson; Cas., G. A. Lindquist.

TEXAS.

MUNDAY—Knox County Bank; Pres., R. V. Colbert; Cas., R. C. Montgomery.

SAN ANTONIO—National Bank of Commerce; capital, $300,000; Pres., Julius Preston Barclay; Vice-Pres., Robert Lee Ball.

VALLEY VIEW—Citizens' Bank; capital, $5,000; Pres., R. P. Head; Cas., Richard P. Head.

UTAH.

MORGAN—First National Bank; capital, $25,000; Pres., James Pingree.

VIRGINIA.

BLAND—Bank of Bland County; capital, $11,000; Pres., Harmon Newberry; Vice-Pres., F. Kegley; Cas., C. P. Muncy.

NORTON—Citizens' Bank; Pres., R. P. Bruce; Vice-Pres., R. T. Irven.

WASHINGTON.

WALLA WALLA—J. L. Elam's Bank.

WEST VIRGINIA.

NEWBERG—Exchange Bank; capital, $25,000; Pres., J. R. Smoot; Vice-Pres., D. J. Gibson; Cas., Emory H. Smith.

PARKERSBURG—Commercial Banking and Trust Co.; capital, $100,000; Pres., H. C. Jackson; Vice-Pres., B. S. Pope; Cas., Edward McCreary.

WISCONSIN.

MADISON—Wisconsin Security and Trust Co.; capital, $100,000; Pres., A. R. Law; Vice-Pres., I. W. Goodner; Sec., Ivan E. Goodner; Treas., J. W. Cass.

MARSHALL—Bank of Marshall; capital, $10,000; Pres., W. H. Porter; Vice-Pres., J. F. Hebl; Cas., Wm. H. Tasker; Asst. Cas., L. F. Kelley.

PRESCOTT—Bank of Prescott; capital, $10,000; Pres., F. H. Wellcome; Vice-Pres., D. J. Dill; Cas., Edward Longworth.

CANADA.

BRITISH COLUMBIA.

CHILLIWACK—Royal Bank of Canada.

QUEBEC.

FARNHAM—Eastern Townships Bank; J. E. Campbell, Mgr.

ONTARIO.

AYLMER—Sovereign Bank of Canada; H. A. Ambridge, Mgr.

DASHWOOD—Sovereign Bank of Canada.

NEWBORO—Union Bank of Canada; G. A. Bagshaw, Mgr.

SPRINGFIELD—Traders' Bank of Canada; Chas. O. Hodgkins, Mgr.

WARKWORTH—Union Bank of Canada; A. U. Bailey, Mgr.

CHANGES IN OFFICERS, CAPITAL ETC.

COLORADO.

COLORADO SPRINGS—Colorado Springs Trust Co. and Colorado Title and Trust Co.; consolidated.

CONNECTICUT.

DANIELSON—Windham County National Bank; Frederick A. Kenedy, Cas. in place of Charles P. Backus.

NEW HAVEN—Merchants' National Bank; Harry B. Whipple, Asst. Cas.

DELAWARE.

GEORGETOWN—First National Bank; Jno. L. Thompson, Pres., in place of Robert J. Houston; Geo. W. Jones, Cas. in place of Jno. L. Thompson; G. Ronald Messick, Asst. Cas. in place of Geo W. Jones.

FLORIDA.

JACKSONVILLE—Mercantile Exchange Bank; J. R. Parret, Pres., in place of S. B. Hubbard, deceased.

GEORGIA.

ATHENS-Georgia National Bank; W. P. Brooks, Cashier in place of M. M. Stephenson.

ATLANTA—Maddox-Rucker Banking Co.; Frank Orme, Asst. Cashier.——Atlanta Clearing House Association; Thomas J. Peeples, Pres.

DAVISBORO—Davisboro Bank; O.H.P. Beall, Pres.; J. H. Evans, Vice-Pres.

MONTEZUMA—First National Bank; W. M. Lewis, Vice-Pres.

MOULTRIE—Citizens' Bank; capital increased to $40,000.

RICHLAND—Bank of Richland; C. J. Dunn, Cashier in place of O. V. Lamar.

ILLINOIS.

ABINGDON—First National Bank; no Pres. in place of Thomas Newell, deceased.

CARBONDALE—First National Bank; Wm. A. Schwartz, Pres. in place of F. A. Prickett, deceased.

GREENVILLE—State Bank of Hoiles & Sons; capital increased to $50,000.

INDIANA.

CONNERSVILLE—First National Bank; James E. Roberts, Vice-Pres.

DILLSBORO—First National Bank; W. I. Gray, Vice-Pres.; W. C. Wulber, Cashier.

LYNN—Citizens' Banking Co.; William H. Platt, Pres., deceased.

MARION—Grant Trust and Savings Co.; W. C. Smith, Pres., in place of Lee Hall; H. A Ford, Sec. and Treas. in place of T. O. Taber.

NEW ALBANY—Second National Bank; Earl S. Gwin, Cashier, in place of G. W. Harrison.

RICHMOND—First National Bank: J. W. Gayle, Vice-Pres., in place of W. S. Gayle.

SOUTH BEND—Citizens' National Bank; G. W. Harrison, Asst. Cashier.

VALPARAISO—Valparaiso National Bank; A. J. Louderback, Cashier, in place of E. Ball; Mark L. Dickover, Asst. Cashier in place of A. J. Louderback.

INDIAN TERRITORY.

FORT GIBSON—First National Bank; R. E. Butler, Vice-Pres. in place of Jack Walter.

NOWATA—First National Bank; Wm. E. Roberts, Vice-Pres. in place of Wm. Johnstone.

TISHOMINGO—First National Rank; W. C. Rudisill, Cas. in place of H. J. Fitz; no Asst. Cas. in place of W. C. Rudisill.

IOWA.

CHESTER—German Savings Bank; C. A. Chapman, Cas. in place of B. J. Morey.

HARLAN—Shelby County State Bank; Edward W. Davis, Pres., deceased.

NEWTON—D. L. Clark, Banker, deceased.

SPENCER—People's Savings Bank; Arthur D. Gillespie, Cas., deceased.

KANSAS.

CHANUTE—First National Bank; C. B. Young, Cas. in place of A. N. Allen.

GREAT BEND—First National Bank; T. M. Steward, Asst. Cas. in place of H. M. Starr.

HAMILTON—First National Bank; W. R. Appleby, Vice-Pres.

HUTCHINSON—First National Bank; L. A. Bigger, Vice-Pres.; A. W. Eagan, Cas. in place of W. H. Eagan. —State Exchange Bank; capital increased to $50,000.

IOLA—Northrup National Bank; L. L. Northrup, Pres. in place of Mary E. Northrup; C. H. Wheaton, Asst. Cas. in place of L. L. Northrup.

PITTSBURG—First National Bank; R. E. Carlton, Vice-Pres. in place of J. W. Brewer.

KENTUCKY.

BRANDENBURG—Farmers' Deposit Bank; capital increased to to $22,500.

CYNTHIANA—Farmers' National Bank; Albert S. Rice no longer Cas.

GLASGOW—Third National Bank; W. J. Davidson, Vice-Pres; A. O. Young, Cas.—First National Bank; F. J. Bales, Asst. Cas. in place of S. T. Young.

LONDON—First National Bank; Vincent Boreing, President, deceased.

LOUISIANA.

AMITE CITY—Amite Bank and Trust Co. (successor to Bank of Amite City and Bank of Independence); capital, $100,000; D. H. Sanders, Pres.; F. C. Weist, Vice-Pres.; M. F. Edwards, Cas.; Homer E. Sanders, Asst. Cas.

NEW ORLEANS—Canal Bank; succeeded by Canal Bank and Trust Co.; capital, $1,000,000; Pres., Edward Toby; Vice-Pres., Charles Janvier; Cas., Edgar Nott; Asst. Cas., E. H. Keep, Jr.

MAINE.

AUBURN—National Shoe and Leather Bank; Geo. P. Martin, Pres. in place of Ara Cushman, deceased.

PORTLAND—Chapman National Bank; M. H. Purrington, Asst. Cas.

MARYLAND.

RISING SUN—National Bank of Rising Sun; Chas. S. Pyle, Vice-Pres. in place of J. A. Kirk; H. F. Richards, Cas. in place of Chas. S. Pyle.

MASSACHUSETTS.

BOSTON—American National Bank; H. J. Patterson, Pres. in place of S. E. Blanchard; J. Middleby, Jr., Vice-Pres. in place H. J. Patterson; C. H. Collins, additional Vice-Pres. National Suffolk Bank; absorbed by Second National Bank.

FRANKLIN—Franklin National Bank; Laura E. Blake, Asst. Cas.

MARBLEHEAD—Marblehead National Bank; Thomas Ingall, Jr., Acting Cas. in place of William Reynolds, Cas., resigned.

NEWTON—First National Bank of West Newton; Austin R. Mitchell, Vice-Pres., deceased.

SPRINGFIELD—Hampden Trust Co.; Joseph C. Allen, Treas., in place of S. Galbraith, resigned; Jno. B. Knight, Asst. Treas.—Springfield Trust Co.; John W. B. Brand, Asst. Treas.

WORCESTER—First National Bank; absorbed by Worcester Safe Deposit and Trust Co.—Quinsigamond National Bank; Elijah B. Stoddard, Pres., deceased; also Pres. Worcester Five Cents Savings Bank.

MICHIGAN.

BATTLE CREEK—City Bank: Nelson Eldred, Pres., deceased.

BAY CITY—Old Second National Bank; James Davidson, Pres. in place of Orrin Bump; Frank P. Chesbrough, Vice-Pres. in place of James Davidson.

PETOSKEY—First State Bank; capital increased to $50,000.

MINNESOTA.

AUSTIN—Citizens' National Bank; B. J. Morey, Cas.

BRAINERD—First National Bank; A. F. Ferris, Pres., deceased.

PARK RAPIDS—First National Bank; R. E. Davis, Pres., deceased.

ST. PAUL - Security Trust Co.; E. J. Hodgson, Pres., deceased.

MISSISSIPPI.

SHUBUTA—Bank of Shubuta; Nannie Ledyard, Asst. Cas.

MISSOURI.

CLARENCE — Citizens' Bank; capital increased to $20,000.

KENNETT—Cotton Exchange Bank; capital increased to $30,000.

NEW HAMPSHIRE.

WOLFEBORO—Wolfeboro Loan and Banking Co.; Albert C. Robinson, Pres. in place of John W. Sanborn, deceased.

NEW JERSEY.

JAMESBURG—First National Bank; Benj. S. Everitt, Cas. in place of I. S. Chamberlain.

PASSAIC—Passaic National Bank; David Carlisle, Pres., deceased.

NEW YORK.

ALLEGANY—Dye Bros.; Mason M. Dye, Cas., deceased.

ELMIRA—Second National Bank; Robert T. Turner, Second Vice-Pres.

ROCHESTER — Mechanics' Savings Bank; Charles M. Everest, Pres. in place of Samuel Sloan, deceased: John J. Bausch, First Vice-Pres.; Wm. R. Seward, Second Vice-Pres.

NORTH DAKOTA.

MINNEWAUKON—First National Bank; F. M. Schaefer and C. F. Pierson, Asst. Cas. in place of C. O. Ryberg.

OHIO.

BYESVILLE—First National Bank; E. P. Finley, Cas. in place of R. H. Mills; no Asst. Cas. in place of E. P. Finley.

CINCINNATI—Equitable National Bank; Albert S. Rice, Vice-Pres.

CLEVELAND—First National Bank; Thomas H. Wilson, Vice-Pres. in place of J. H. Morley, deceased; F. M. Osborne, Second Vice-Pres.; A. B. Marshall, Third Vice-Pres.: J. R. Geary, Cas. in place of Thomas H. Wilson: J. H. Caswell, Asst. Cas. in place of J. R. Geary.——Central Trust Co.; Ernest W. Radder, Treas., deceased.

COSHOCTON—Commercial National Bank; E. L. Lybarger, Vice-Pres.; W. J. Winters, Assist. Cas.

DENNISON—Twin City National Bank; Theo. Lanning, Vice-Pres.; H. B. Cook, Asst. Cas.

KENT—Kent National Bank; W. S. Kent, Cas. in place of H. C. Parkhill, deceased.

MALTA—Malta National Bank; R. K. Brown, Vice-Pres. in place of Peter Miller, deceased.

MIDDLETOWN — Merchants' National Bank; C. J. Stahl, Asst. Cas.

NILES—City National Bank; Wm. Herbert, Pres. in place of Abner G. Webb: F. W. Stillwagon, Cas. in place of Wm. Herbert.

YOUNGSTOWN—Second National Bank; John R. Grist, Vice-Pres., deceased.

OKLAHOMA.

BLACKWELL — Blackwell National Bank; Russel Durrill, Vice-Pres.

CLINTON — Clinton National Bank; H. L. Quiett, Vice-Pres. in place of J. R. Shive.

ERICK—Citizens' Bank; capital increased to $10,000.

PAWNEE—Pawnee County Bank; John A. John A. Hunter, Asst. Cas.

PENNSYLVANIA.

BERWICK—First National Bank; F. R. Jackson, Pres.; in place of B. F. Crispin, deceased.

BROOKVILLE—National Bank of Brookville; no Asst. Cas. in place of John E. Giest.

CONNEAUT LAKE — First National Bank; Frank L. Brown, Vice-Pres.; Lewis E. McKay Cas. in place of Perry Shontz.

ELLSWORTH—National Bank of Ellsworth; James W. Ellsworth, Pres.

FRANKLIN — Lamberton National Bank; Chess Lamberton Cas. in place of W. L. Gillfillian; B. J. Forsythe, Asst. Cas. in place of Chess Lamberton.

JEANNETTE—Jeannette National Bank; Wm. K. Frank, Cas., in place of Wm. W. Hill; Alf. T. Smith, Asst. Cas., in place of Wm. K. Frank.

MARS—Mars National Bank; E. P. Sutton, Cas., in place of C. E. Sheffer.

NEW BETHLEHEM—First National Bank; M. Arnold, Vice-Pres., deceased.

PHILADELPHIA—Frank F. Bell & Co.; Frank F. Bell, deceased.

WARREN—Citizens' National Bank; James G. Parmlee, Vice-Pres., deceased.

PITTSBURG—North America Savings Co.; C. D. Bevington, Sec., in place of W. P. Fraser.——Columbia National Bank; C. D. Bevington, Asst. Cas., resigned.——Fidelity Title and Trust Co.; capital increased to $2,000,000.

WEBSTER—First National Bank; Andrew Brown, Vice-Pres.,; H. R. Smith, Cas.

ZELIENOPLE—First National Bank; J. A. Gelbach, Pres., in place of W. J. Lamberton; Edwin Meeder, Vice-Pres., in place of J. S. McNally.

SOUTH CAROLINA.

YORKVILLE—First National Bank; O. E. Williams, Pres.; W. I. Witherspoon, Vice-Pres.

SOUTH DAKOTA.

DEADWOOD—American National Bank; W. E. Adams, Pres., in place of Wm. Selbie.

TEXAS.

BEAUMONT—Beaumont National Bank; Sam Park, Vice-Pres., in place of W. F. Treadway; S. H. Van Wormer, second Vice.-Pres.

CALDWELL—Caldwell National Bank; T. Kraitchar, Jr., Cas., in place of E. B. St. Clair; W. S. Watson, Asst. Cas., in place of T. Kraitchar, Jr.

CANADIAN—First National Bank; Thomas F. Moody, Vice-Pres.

COLUMBUS—R. E. Stafford & Co.; J. G. Fernandez, Cas., resigned.

FORT WORTH—American National Bank; E. Renfro, Asst. Cas.

GROESBECK—Citizens' National Bank; capital increased to $50,000; G. V. McClintic, Vice-Pres., in place of J. P. Morris; J. P. Morris, Cas., in place of of Dan Parker.

HEREFORD—Western National Bank; J. P. Connell, Vice-Pres.

LAREDO—Laredo National Bank; J. K. Beretta, Pres. in place of J. Deutz; no Vice-Pres. in place of J. K. Beretta; R. K. Mims, Asst. Cas.

MIDLAND—Midland National Bank; D. W. Brunson, Pres. in place of M. G. Buchanan; Burl Holloway, Vice-Pres. in place of W. D. Jenkins; E. F. Elkin, additional Vice-Pres.; W. B. Elkin, Cas. in place of O. P. Thomas.

RICE—Planters and Merchants' Bank; W. W. Loop, Pres. in place of Rod Oliver, resigned.

SWEETWATER—First National Bank; W. H. Fitzgerald, Cas. in place of Jno. W. Warren.

WHARTON—Wharton National Bank; J. F. Estill, Cas. in place of Charles W. Leesemann.

WINNSBORO—First National Bank; M. C. Morris, Asst. Cas. in place of J. M. Mitchell.

VERMONT.

ST. JOHNSBURY—Merchants' National Bank; Harry Blodgett, Vice-Pres.

VIRGINIA.

ROANOKE—First National Bank; J. C. Davenport, Asst. Cas. in place of T. Tyler Meadows.

WEST VIRGINIA.

MARLINTON—First National Bank; J. Sydenstricker, Cas. in place of Emory H. Smith.

WYOMING.

CHEYENNE—Stock Growers' National Bank; John Clay, Jr., Pres.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ARKANSAS.

ELDORADO—Bank of Eldorado.

INDIANA.

LAGRANGE—R. Ellison.

TOPEKA—Ellison Bank.

LOUISIANA.

SHREEVEPORT—Citizens' National Bank; in voluntary liquidation August 31.

MAINE.

ROCKLAND—Lime Rock National Bank; in voluntary liquidation September 1.

MASSACHUSETTS.

GREENFIELD—Packard National Bank.

MISSISSIPPI.

MERIDIAN—Meridian National Bank; in voluntary liquidation September 15.

OHIO.

WILLOUGHBY—Bank of Willoughby.

OKLAHOMA.

COYLE—People's Bank.

PENNSYLVANIA.

BOLIVAR—Bolivar National Bank.

NEW YORK BANKERS' BANQUET.—A full report of the proceedings of the Convention of the New York State Bankers' Association, held at Saratoga Springs, October 10 and 11, appears elsewhere in this issue of the MAGAZINE.

The principal social feature of the convention was a banquet, at which President Stephen M. Griswold presided. Pleasing vocal selections were rendered by the Empire Quartette, of Troy, and a number of speeches were made and many good stories told. Those who spoke were: Adelbert P. Knapp, President of the Village of Saratoga Springs; Herbert L. Bridgeman, editor of the "Brooklyn Standard Union"; R. A. Purdy, of the Mechanics and Traders' Bank, New York; James R. Branch, Secretary American Bankers' Association; Joseph Chapman, Jr., Cashier Northwestern National Bank, Minneapolis; Henry F. Sammis, Vice-President of the Bank of Huntington, and Rev. Dr. Joseph Carey, of Saratoga Springs.

NATIONAL BANK RETURNS—RESERVE CITIES.

By the courtesy of the Comptroller of the Currency at Washington, the BANKERS' MAGAZINE has been favored with the complete returns of the National banks in all the reserve cities, at the date of the call on September 9, 1903. These are published below in conjunction with the two preceding statements of April 9, 1903, and June 9, 1903. In this form the figures become much more valuable by reason of the comparison. The complete returns of National banks in the reserve cities are published in the BANKERS' MAGAZINE exclusively.

NEW YORK CITY.

RESOURCES.	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*
Loans and discounts	$611,711,959	$601,024,889	$631,565,824
Overdrafts	246,680	462,824	508,110
U. S. bonds to secure circulation	44,746,500	44,696,500	46,959,000
U. S. bonds to secure U. S. deposits	41,857,500	41,857,500	46,618,000
U. S. bonds on hand	858,400	3,009,240	818,220
Premiums on U. S. bonds	3,646,705	2,546,069	2,469,091
Stocks, securities, etc	108,080,892	105,145,482	100,638,163
Banking house, furniture and fixtures	19,400,648	18,778,656	20,472,288
Other real estate and mortgages owned	2,693,523	3,200,312	3,181,851
Due from National banks (not reserve agents)	41,797,189	48,061,280	39,174,797
Due from State banks and bankers	8,094,978	7,218,911	17,927,897
Due from approved reserve agents	......	......	......
Checks and other cash items	3,531,820	3,743,576	3,857,915
Exchanges for clearing-house	132,818,841	157,426,683	85,727,788
Bills of other National banks	1,020,990	1,364,190	1,717,028
Fractional paper currency, nickels and cents	76,342	75,749	68,928
*Lawful money reserve in bank, viz.:			
Gold coin	5,000,261	5,842,360	4,792,189
Gold Treasury certificates	55,998,820	61,640,700	79,796,880
Gold clearing-house certificates	70,010,000	53,514,040	51,925,000
Silver dollars	79,281	52,857	68,883
Silver Treasury certificates	14,009,121	17,709,610	18,180,698
Silver fractional coin	731,078	782,282	713,684
Legal-tender notes	45,201,412	50,988,847	45,591,811
U. S. certificates of deposit for legal-tender notes	......	......	......
Five per cent. redemption fund with Treasurer	2,212,322	2,227,322	2,302,950
Due from U. S. Treasurer	1,287,706	2,069,378	1,389,432
Total	$1,214,657,422	$1,232,848,644	$1,207,855,324

LIABILITIES.	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*
Capital stock paid in	$100,550,000	$100,050,000	$100,650,000
Surplus fund	69,952,000	71,185,000	72,535,000
Undivided profits, less expenses and taxes paid	40,326,505	40,226,122	42,231,985
National bank notes issued, less amount on hand	43,681,297	43,820,727	44,214,962
State bank notes outstanding	16,542	16,542	16,542
Due to other National banks	240,482,629	233,234,339	230,591,168
Due to State banks and bankers	171,168,636	179,179,743	205,298,676
Dividends unpaid	73,794	450,369	62,683
Individual deposits	489,290,719	504,475,555	450,732,783
U. S. deposits	57,140,394	59,063,996	59,643,810
Deposits of U. S. disbursing officers	380,984	349,905	244,270
Notes and bills rediscounted	219,500	....	....
Bills payable	300,000	250,000	739,400
Liabilities other than those above stated	1,124,438	1,047,342	894,061
Total	$1,214,657,422	$1,232,848,644	$1,207,855,324
Average reserve held	26.96 p. c.	27.39 p. c.	27.71 p. c.
* Total lawful money reserve in bank	$191,024,974	$189,925,610	$203,068,546

	ALBANY, N. Y.			BALTIMORE, MD.			BOSTON, MASS.		
Resources.	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*
Loans and discounts	$13,243,508	$14,656,119	$14,290,784	$47,178,502	$46,314,882	$47,222,814	$162,244,195	$166,351,771	$156,869,606
Overdrafts	1,428	2,472	3,418	6,150	7,474	8,280	58,489	88,220	293,378
U. S. bonds to secure circulation	550,000	750,000	750,000	3,040,000	3,720,000	3,790,000	6,949,700	7,217,700	7,017,700
U. S. bonds to secure U. S. deposits	489,100	489,100	489,100	5,534,900	2,082,000	2,534,900	6,599,250	6,549,250	6,307,250
U. S. bonds on hand	......	......	......	51,500	454,400	1,500	18,500	20,500	217,000
Premiums on U. S. bonds	30,074	25,074	22,574	155,172	171,499	170,277	379,166	334,309	283,522
Stocks, securities, etc	1,658,136	1,774,381	1,866,968	5,349,471	5,184,046	5,167,740	9,424,230	10,413,158	11,919,785
Banking house, furniture and fixtures	268,039	294,782	304,448	2,789,105	2,892,156	2,887,878	1,751,380	1,702,528	1,702,423
Other real estate and mortgages owned	177,297	220,370	239,538	178,130	187,801	220,246	44,006	44,184	49,125
Due from National banks (not reserve agents)	3,837,649	4,198,243	3,819,176	4,904,703	5,418,561	4,419,242	14,635,135	14,793,914	15,932,184
Due from State banks and bankers	1,149,564	1,382,770	1,477,375	971,445	927,756	924,577	1,303,191	1,652,093	1,687,095
Due from approved reserve agents	2,872,354	3,321,559	4,158,245	5,139,093	5,171,283	6,086,854	29,474,116	25,759,569	28,364,992
Checks and other cash items	98,017	94,799	62,309	234,725	281,888	226,455	259,016	485,014	420,268
Exchanges for clearing-house	76,270	106,404	92,706	1,974,050	2,516,351	1,715,812	14,917,801	14,058,353	10,373,204
Bills of other National banks	42,407	46,720	45,685	197,303	438,371	274,669	1,151,197	1,878,286	1,352,909
Fractional paper currency, nickels and cents	3,160	3,390	4,823	20,797	20,034	25,456	25,881	29,671	30,494
*Lawful money reserve in bank, viz.:									
Gold coin	342,583	345,566	337,016	509,526	501,478	528,224	1,470,362	1,451,702	1,420,027
Gold Treasury certificates	343,000	366,000	368,000	1,158,560	1,199,990	1,399,130	7,135,930	7,155,340	6,867,810
Gold clearing-house certificates	......	......	......	40,000	125,000	85,000	3,405,000	3,265,000	3,425,000
Silver dollars	21,726	24,918	23,627	61,335	49,506	53,107	21,086	33,498	29,400
Silver Treasury certificates	87,000	88,000	85,000	1,508,942	1,904,777	1,497,765	2,866,397	3,519,659	3,567,488
Silver fractional coin	18,499	22,859	25,119	94,408	86,427	74,517	225,625	223,025	201,273
Legal-tender notes	794,364	1,103,873	1,070,798	1,085,950	948,737	888,310	4,583,221	5,601,091	4,949,755
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	27,500	37,500	37,500	152,000	147,525	189,500	339,985	353,912	341,687
Due from U. S. Treasurer	......	......	......	56,300	6,000	24,700	172,550	314,504	239,502
Total	$26,131,682	$29,354,908	$29,574,215	$79,887,073	$80,737,947	$80,416,959	$269,455,344	$273,296,257	$263,862,885
Liabilities.									
Capital stock paid in	$1,250,000	$1,250,000	$1,250,000	$12,403,260	$12,403,260	$12,403,260	$33,100,000	$33,100,000	$32,300,000
Surplus fund	1,390,000	1,390,000	1,390,000	6,514,400	6,514,400	6,523,610	14,641,400	14,641,400	14,536,400
Undiv. profits, less expenses and taxes paid	306,143	267,605	296,380	1,834,623	1,961,320	1,843,629	7,058,673	7,756,204	8,631,227
National bank notes issued, less am't on hand	532,300	737,350	714,800	2,995,200	3,547,990	3,753,050	6,678,880	7,083,772	7,001,515
State bank notes outstanding	......	......	......	493	493	493	......	......	......
Due to other National banks	11,122,538	12,006,118	11,715,802	12,581,155	12,451,375	12,258,821	34,491,149	26,869,599	37,766,665
Due to State banks and bankers	3,522,480	4,085,043	4,162,310	6,584,684	6,430,488	6,576,922	33,407,534	32,230,553	34,125,062
Dividends unpaid	337	792	1,209	52,244	44,452	62,516	63,693	11,013	7,845
Individual deposits	7,378,626	9,001,665	9,418,918	32,433,717	32,674,549	32,191,290	128,082,061	130,453,348	118,670,831
U. S. deposits	419,853	420,412	419,251	3,395,308	3,098,324	3,908,376	9,719,650	9,396,138	8,543,684
Deposits of U. S. disbursing officers	1,402	915	2,543	......	......	......	124,701	95,101	91,948
Notes and bills rediscounted	......	......	......	......	......	......	100,000	64,500	......
Bills payable	208,000	198,000	203,000	584,000	1,605,000	895,000	1,711,000	1,200,727	1,884,570
Liabilities other than those above stated	......	......	......	7,986	7,880	......	276,600	393,900	308,183
Total	$26,131,682	$29,354,908	$29,574,215	$79,387,073	$80,737,947	$80,416,959	$269,455,344	$273,296,257	$263,862,885
Average reserve held	26.64 p. c.	27.43 p. c.	30.78 p. c.	22.38 p. c.	23.98 p. c.	24.70 p. c.	30.20 p. c.	28.37 p. c.	30.52 p. c.
***Total lawful money reserve in bank**	$1,607,173	$1,951,216	$1,909,560	$4,458,721	$4,815,915	$4,526,058	$19,707,571	$291,342,15	$20,460,758

	BROOKLYN, N. Y.			CEDAR RAPIDS, IOWA.			CHICAGO, ILL.		
RESOURCES.	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*
Loans and discounts	$12,985,921	$12,687,991	$11,413,478	$2,442,197	$2,558,523	$2,662,483	$186,767,723	$181,692,877	$181,416,192
Overdrafts	4,216	7,237	5,878	2,488	5,540	2,142	88,962	28,408	72,198
U. S. bonds to secure circulation	642,000	592,000	592,000	250,000	225,000	225,000	3,273,000	3,723,000	3,773,000
U. S. bonds to secure U. S. deposits	200,000	200,000	200,000	87,500	87,500	87,500	2,016,000	2,016,000	2,016,000
U. S. bonds on hand	......	......	......	......	......	......	46,620	62,320	27,680
Premiums on U. S. bonds	7,900	4,000	4,000	3,500	3,500	3,500	14,000	41,855	45,355
Stocks, securities, etc	2,637,292	3,106,483	3,112,291	305,000	259,380	286,174	15,768,843	13,914,611	13,071,896
Banking house, furniture and fixtures	483,250	483,250	483,000	961	961	1,339	1,006,150	1,004,150	1,340,175
Other real estate and mortgages owned	64,671	64,671	64 582	18,000	18,000	......	208,427	204,961	196,741
Due from National banks (not reserve agents)	81,220	80,960	60,308	404,026	445,926	381,082	39,813,104	41,939,706	46,685,453
Due from State banks and bankers	146,601	124,221	218,608	80,672	100,900	92,212	12,504,042	10,298,195	12,008,638
Due from approved reserve agents	2,145,413	1,512,304	1,883,663	702,585	580,307	544,111	......	......	......
Checks and other cash items	85,107	94,061	77,809	43,879	45,168	40,216	304,626	292,782	197,441
Exchanges for clearing-house	1,316,246	1,860,115	1,276,062	......	......	......	11,070,370	10,160,861	11,018,547
Bills of other National Banks	79,336	108,181	83,558	27,369	10,678	16,990	559,796	878,113	915,017
Fractional paper currency, nickels and cents	9,637	13,698	14,581	2,243	2,523	1,302	50,487	44,701	41,990
*Lawful money reserve in bank, viz.:									
Gold coin	426,566	396,726	308,869	90,495	103,810	108,930	11,108,712	11,336,972	8,950,782
Gold Treasury certificates	494,750	609,110	451,600	102,000	156,500	156,700	12,998,280	10,977,720	9,587,510
Gold clearing-house certificates	......	......	......	70,000	......	......	......	......	......
Silver dollars	5,044	11,500	11,690	11,273	14,358	13,881	124,517	144,498	154,978
Silver Treasury certificates	546,265	594,940	682,196	69,667	25,495	41,868	5,673,388	7,102,540	7,250,285
Silver fractional coin	60,372	79,307	66,519	7,257	9,728	10,128	320,516	206,150	234,782
Legal-tender notes	567,134	755,185	732,192	90,500	51,000	60,000	16,631,896	21,652,181	20,914,112
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	32,100	29,600	29,600	12,500	11,250	9,550	161,150	185,250	188,650
Due from U. S. Treasurer	......	5,000	17,300	600	......	......	162,700	262,100	238,000
Total	$23,021,046	$23,365,546	$21,784,783	$4,824,217	$4,666,052	$4,695,108	$320,668,314	$318,164,350	$320,847,483
LIABILITIES.									
Capital stock paid in	$1,352,000	$1,352,000	$1,352,000	$300,000	$300,000	$300,000	$25,100,000	$25,600,000	$25,600,000
Surplus fund	1,950,000	1,950,000	1,950,000	129,000	130,000	145,000	12,900,000	13,025,000	13,025,000
Undiv. profits, less expenses and taxes paid	599,782	674,310	672,643	38,855	43,592	23,153	4,772,566	5,457,547	6,182,782
National bank notes issued, less am't on hand	641,950	585,450	588,750	245,600	224,000	225,000	3,116,697	3,708,547	3,770,647
State bank notes outstanding	1,846	1,846	1,846	......	......	......	......	......	......
Due to other National banks	259,332	213,645	240,235	684,608	1,424,636	775,668	94,930,909	91,158,397	91,409,479
Due to State banks and bankers	4,493,992	4,053,460	3,986,962	2,065,230	1,235,944	1,872,993	50,751,586	50,996,147	51,907,460
Dividends unpaid	1,681	788	554	......	564	87	67,218	5,545	8,076
Individual deposits	13,498,269	14,292,719	12,773,430	1,270,422	1,219,825	1,257,754	126,041,512	125,124,948	125,352,080
U. S. deposits	173,167	200,625	175,065	87,500	87,500	87,500	2,844,843	2,831,919	2,832,092
Deposits of U. S. disbursing officers	30,742	22,452	25,303	......	......	......	135,480	248,795	252,365
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	18,282	18,248	17,973	3,000	......	8,000	7,500	7,500	7,500
Total	$23,021,046	$23,365,546	$21,784,783	$4,824,217	$4,666,052	$4,695,108	$320,668,314	$318,164,350	$320,847,483
Average reserve held	25.67 p. c.	24.31 p. c.	27.10 p. c.	32.96 p. c.	27.15 p. c.	27.67 p. c.	22.62 p. c.	25.30 p. c.	23.87 p. c.
* Total lawful money reserve in bank	$2,100,131	$2,446,768	$2,258,666	$441,192	$360,889	$391,502	$46,857,310	$51,420,012	$47,094,504

Resources.	Cincinnati, Ohio. Apr. 9, 1903.	Cincinnati, Ohio. June 9, 1903.	Cincinnati, Ohio. Sept. 9, 1903.	Cleveland, Ohio. Apr. 9, 1903.	Cleveland, Ohio. June 9, 1903.	Cleveland, Ohio. Sept. 9, 1903.	Columbus, Ohio. Apr. 9, 1903.	Columbus, Ohio. June 9, 1903.	Columbus, Ohio. Sept. 9, 1903.
Loans and discounts	$41,195,462	$38,661,988	$41,543,619	$48,317,119	$46,789,369	$49,155,072	$10,985,412	$11,362,510	$11,639,498
Overdrafts	14,356	18,022	26,837	42,800	548,879	63,740	19,109	22,852	12,530
U. S. bonds to secure circulation	4,720,000	5,017,000	5,022,000	4,400,000	4,800,000	4,150,000	566,000	885,000	885,000
U. S. bonds to secure U. S. deposits	3,950,000	3,954,510	3,950,000	1,850,000	1,850,000	1,800,000	575,000	581,650	575,000
U. S. bonds on hand	294,080	50,650	59,580	......	......	......	39,020	7,270	10,760
Premiums on U. S. bonds	81,722	49,380	51,566	165,691	189,979	245,462	3,081,697	37,056	38,332
Stocks, securities, etc	10,943,500	11,488,145	10,582,458	3,725,925	3,527,445	3,655,403	295,000	2,848,135	2,314,672
Banking house, furniture and fixtures	484,403	479,064	479,156	579,192	572,316	536,900	84,679	397,700	406,568
Other real estate and mortgages owned	633,389	748,098	882,586	125,206	115,806	191,731	......	86,705	76,814
Due from National banks (not reserve agents)	4,926,865	5,587,068	5,449,282	3,982,622	4,300,649	4,108,879	1,562,716	1,465,449	1,416,819
Due from State banks and bankers	901,678	919,859	845,000	1,685,658	1,800,031	1,663,150	143,191	192,341	180,220
Due from approved reserve agents	5,384,430	5,319,192	5,774,994	4,068,735	4,141,627	4,731,974	1,780,144	1,272,200	1,635,478
Checks and other cash items	59,272	42,281	69,877	211,684	202,022	240,860	30,395	82,250	61,623
Exchanges for clearing-house	203,408	229,709	257,212	947,422	855,330	679,142	261,104	253,003	209,214
Bills of other National banks	134,383	190,224	207,477	134,451	207,694	162,581	141,853	118,148	89,471
Fractional paper currency, nickels and cents	5,119	5,375	5,737	12,233	11,275	8,071	1,808	2,557	3,611
*Lawful money reserve in bank, viz.:									
Gold coin	405,695	650,549	408,552	1,267,400	1,597,445	1,400,667	345,732	377,195	553,140
Gold Treasury certificates	2,221,700	1,610,500	1,554,090	713,000	965,000	601,000	537,070	479,620	365,920
Gold clearing-house certificates	......	......	220,000	1,020,000	790,000	675,000	......	......	......
Silver dollars	77,756	90,507	81,587	231,206	170,905	141,407	51,118	47,434	49,853
Silver Treasury certificates	454,166	483,336	544,527	92,740	193,930	100,320	311,417	271,870	293,780
Silver fractional coin	45,348	47,159	35,349	45,101	38,068	49,996	15,954	15,454	18,311
Legal-tender notes	2,748,149	4,355,462	3,380,955	1,702,656	2,077,330	2,335,244	911,926	1,078,847	958,953
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	229,950	250,850	250,150	204,050	234,745	200,990	28,300	44,250	44,250
Due from U. S. Treasurer	10,400	9,961	461	44,900	62,750	36,602	3,500	4,000	8,000
Total	$80,095,237	$80,258,894	$81,683,084	$75,589,798	$75,548,602	$76,984,200	$21,744,315	$21,883,501	$21,847,323
Liabilities.									
Capital stock paid in	$9,500,000	$10,200,000	$10,200,000	$11,900,000	$12,050,000	$11,900,000	$2,300,000	$2,400,000	$2,400,000
Surplus fund	3,725,000	4,205,000	4,205,000	3,557,000	3,647,000	3,472,000	755,000	870,000	870,000
Undiv. profits, less expenses and taxes paid	2,315,542	1,918,069	2,196,457	1,356,594	1,208,914	1,496,633	373,642	307,666	367,178
National bank notes issued, less am't on hand	4,670,097	4,969,147	4,986,997	4,385,400	4,788,245	4,186,245	565,200	885,000	885,000
Due to other National banks	12,280,652	12,323,500	12,977,847	8,828,543	8,683,857	8,460,047	1,585,527	1,778,016	1,604,996
Due to State banks and bankers	8,961,738	8,169,696	8,052,796	11,776,256	7,542,372	12,932,658	2,638,999	2,554,522	2,308,504
Dividends unpaid	2,401	3,335	2,311	139	3,175	1,886	874	3,093	11,534
Individual deposits	31,111,171	31,839,363	32,820,773	27,118,788	27,044,538	27,656,065	13,954,248	12,468,040	12,582,070
U. S. deposits	6,960,401	6,570,781	6,602,057	4,119,358	1,765,725	3,630,925	599,247	608,058	604,998
Deposits of U. S. disbursing officers	......	......	......	30,696	42,323	52,584	21,575	10,104	13,044
Notes and bills rediscounted	......	......	......	......	2,050,500	115,000	......	......	......
Bills payable	450,000	......	......	2,490,000	1,700,000	3,080,000	......	......	200,000
Liabilities other than those above stated	118,231	60,000	138 794	27,021	26,949	703	......	......	......
Total	$80,095,237	$80,258,894	$81,683,084	$75,589,798	$75,548,602	$76,984,200	$21,744,315	$21,883,501	$21,847,323
Average reserve held	25.05 p. c.	28.21 p. c.	26.29 p. c.	22.86 p. c.	24.85 p. c.	24.11 p. c.	26.49 p. c.	24.27 p. c.	26.82 p. c.
* Total lawful money reserve in bank	$5,952,814	$7,237,518	$6,225,041	$5,072,103	$5,832,678	$5,303,636	$2,173,218	$2,270,420	$2,239,957

RESOURCES.	DALLAS, TEXAS. Apr. 9, 1903.	June 9, 1903.	Sept. 9, 1903.	DENVER, COLORADO. Apr. 9, 1903.	June 9, 1903.	Sept. 9, 1903.	DES MOINES, IOWA. Apr. 9, 1903.	June 9, 1903.	Sept. 9, 1903.
Loans and discounts	$7,325,911	$6,608,772	$6,388,770	$16,348,164	$15,273,792	$15,292,258	$5,458,096	$5,354,874	$5,071,192
Overdrafts	278,872	288,646	109,897	142,197	176,819	147,571	29,441	33,105	38,575
U. S. bonds to secure circulation	587,500	587,500	587,500	1,750,000	2,250,000	2,250,000	450,000	450,000	450,000
U. S. bonds to secure U. S. deposits	625,000	625,000	625,000	1,050,000	1,050,000	1,150,000	400,000	400,000	400,000
U. S. bonds on hand	......	......	......	......	......	......	5,320	7,020	7,020
Premiums on U. S. bonds	29,000	29,000	29,000	57,987	57,937	63,750	22,080	19,607	19,607
Stocks, securities, etc	13,961	60,800	62,814	8,748,746	8,664,702	8,816,380	271,458	274,462	292,184
Banking house, furniture and fixtures	126,999	126,999	127,636	65,359	66,894	65,000	111,536	111,602	111,602
Other real estate and mortgages owned	87,881	88,681	98,938	318,245	316,746	188,127	40,355	41,882	48,239
Due from National banks (not reserve agents)	954,578	1,141,149	858,357	2,796,405	2,309,621	2,830,607	487,231	487,067	576,634
Due from State banks and bankers	279,914	211,890	175,969	1,223,479	1,133,040	1,187,228	132,671	95,117	100,485
Due from approved reserve agents	1,471,289	1,329,779	726,968	8,131,869	8,100,821	7,948,398	785,727	914,336	1,021,635
Checks and other cash items	39,576	20,343	55,504	38,869	47,659	54,575	18,014	20,705	23,821
Exchanges for clearing-house	130,055	147,776	83,174	626,700	586,708	741,505	77,691	129,196	91,934
Bills of other National banks	65,500	56,525	78,532	462,280	546,914	524,805	65,770	64,625	37,299
Fractional paper currency, nickels and cents	6,207	8,425	6,697	3,158	5,265	2,660	4,296	2,342	3,854
*Lawful money reserve in bank, viz.:									
Gold coin	263,010	333,835	321,552	2,509,597	2,793,637	3,183,200	223,138	217,522	214,457
Gold Treasury certificates	106,520	90,000	108,520	333,500	342,800	344,860	3,000	161,100	156,450
Gold clearing-house certificates	10,000	......	......	......	......	......	150,000	......	......
Silver dollars	36,418	27,890	88,154	109,714	80,519	72,147	46,298	39,894	23,861
Silver Treasury certificates	85,477	48,227	92,770	265,048	280,958	379,881	105,918	89,459	75,224
Silver fractional coin	10,023	10,073	14,627	37,615	31,577	41,166	16,621	15,766	16,500
Legal-tender notes	537,000	416,800	409,140	1,611,495	1,668,000	1,979,860	337,464	243,090	259,208
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	28,780	28,875	27,875	87,500	112,500	112,500	22,500	22,500	22,500
Due from U. S. Treasurer	3,900	5,000	......	39,384	20,334	7,884	3,000	......	5,673
Total	$13,098,376	$12,286,490	$11,072,392	$46,757,268	$45,901,249	$47,329,362	$9,262,633	$9,194,798	$9,062,961
LIABILITIES.									
Capital stock paid in	$1,050,000	$1,050,000	$1,050,000	$2,500,000	$2,500,000	$2,500,000	$800,000	$800,000	$800,000
Surplus fund	1,112,000	1,112,000	1,118,000	700,000	700,000	750,000	260,000	260,000	260,000
Undiv. profits, less expenses and taxes paid	222,609	271,477	225,456	1,051,642	1,103,240	993,956	72,758	86,433	82,787
National bank notes issued, less am't on hand	587,500	587,500	587,500	1,750,000	2,231,850	2,235,750	413,697	410,847	390,197
Due to other National banks	2,429,615	1,031,428	1,349,398	6,646,821	5,819,744	6,694,267	1,968,763	1,692,688	1,864,264
Due to State banks and bankers	398,536	1,206,767	197,217	3,240,478	3,209,678	3,374,245	2,297,775	2,394,300	2,452,502
Dividends unpaid	300	200	418	......	......	......	292	220	308
Individual deposits	6,667,102	6,451,088	5,915,517	29,955,950	29,436,365	29,691,744	3,016,960	3,167,285	2,803,899
U. S. deposits	590,538	541,880	595,308	320,831	319,371	315,000	315,771	269,983	277,300
Deposits of U. S. disbursing officers	27,227	31,252	27,905	591,544	581,499	774,397	75,534	113,539	101,699
Notes and bills rediscounted	......	......	......	......	......	......	45,000	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	2,946	2,946	5,670	......	......	......	1,108	......	......
Total	$13,098,376	$12,286,490	$11,072,392	$46,757,268	$45,901,249	$47,329,362	$9,262,633	$9,194,798	$9,062,921
Average reserve held	31.47 p. c.	31.92 p. c.	28.43 p. c.	37.04 p. c.	38.91 p. c.	39.88 p. c.	25.66 p. c.	25.84 p. c.	27.79 p. c.
* Total lawful money reserve in bank	$1,048,448	$926,825	$1,034,763	$4,866,970	$5,197,492	$6,001,114	$882,439	$766,831	$745,701

	DETROIT, MICH.			DUBUQUE, IOWA.			HOUSTON, TEXAS.		
RESOURCES.	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*
Loans and discounts	$17,133,905	$17,339,220	$19,669,245	$2,143,431	$2,029,498	$1,886,010	$5,847,197	$6,262,487	$6,923,824
Overdrafts	3,447	5,348	8,342	5,559	6,342	5,577	734,205	388,387	98,130
U. S. bonds to secure circulation	1,250,000	1,250,000	1,250,000	175,000	225,000	275,000	580,000	590,000	580,000
U. S. bonds to secure U. S. deposits	900,000	900,000	900,000	100,000	100,000	100,000	100,000	100,000	100,000
U. S. bonds on hand	15,000	......	......	......	......	......	......	......	......
Premiums on U. S. bonds	222,918	220,987	212,103	1,000	1,000	1,000	44,252	44,252	44,118
Stocks, securities, etc	1,658,296	1,359,382	1,564,514	216,093	206,643	202,643	58,279	58,279	58,279
Banking house, furniture and fixtures	38,288	37,688	35,400	103,000	103,000	103,000	231,832	233,414	261,257
Other real estate and mortgages owned	56,921	56,921	56,071	13,313	13,313	13,313	73,373	73,284	57,773
Due from National banks (not reserve agents)	1,616,443	2,102,387	1,822,009	101,433	76,595	116,621	1,599,129	1,243,517	1,060,536
Due from State banks and bankers	434,875	362,436	468,610	16,300	35,722	61,468	366,002	386,437	269,052
Due from approved reserve agents	2,770,440	2,596,725	2,325,748	422,713	404,336	464,765	1,847,003	1,647,907	1,049,257
Checks and other cash items	18,898	28,166	21,110	6,200	5,044	1,217	28,984	1,430	3,583
Exchanges for clearing-house	301,373	297,385	516,910	21,884	11,487	37,915	37,981	132,194	97,606
Bills of other National banks	219,650	266,729	211,965	39,827	30,916	25,711	176,126	187,965	152,395
Fractional paper currency, nickels and cents	11,221	11,516	12,002	897	1,724	930	4,781	4,968	3,959
*Lawful money reserve in bank, viz.:									
Gold coin	716,898	984,975	969,252	115,060	127,077	148,970	200,799	227,557	327,309
Gold Treasury certificates	141,990	141,990	141,990	20,000	20,000	10,000	507,590	393,580	379,810
Gold clearing-house certificates	190,000	85,000	125,000	......	......	......	......	......	......
Silver dollars	72,202	43,674	38,741	8,562	4,717	6,314	151,602	142,940	143,041
Silver Treasury certificates	40,760	25,100	31,550	58,000	41,000	22,003	157,885	138,574	57,589
Silver fractional coin	19,905	30,366	26,494	5,160	41,100	6,833	34,301	40,381	49,011
Legal-tender notes	891,327	1,116,003	1,118,387	69,000	109,763	80,309	705,991	560,116	519,977
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	62,500	62,500	62,500	8,750	11,250	13,750	28,875	28,875	27,750
Due from U. S. Treasurer	32,800	13,500	8,000	......	......	......	......	......	1,250
Total	$28,820,063	$29,338,005	$29,595,948	$3,681,186	$3,568,532	$3,583,354	$13,516,194	$12,876,549	$12,265,511
LIABILITIES.									
Capital stock paid in	$4,100,000	$4,100,000	$4,100,000	$600,000	$600,000	$600,000	$1,450,000	$1,450,000	$1,450,000
Surplus fund	1,013,500	1,013,500	1,014,000	112,000	112,000	113,500	870,000	870,000	900,000
Undiv. profits, less expenses and taxes paid	336,764	412,582	403,566	59,211	68,729	57,874	447,716	510,499	460,272
National bank notes issued, less am't on hand	1,217,600	1,178,300	1,140,750	174,650	225,000	275,000	586,550	582,000	555,000
Due to other National banks	2,650,856	2,769,937	2,679,855	275,217	252,118	218,324	2,452,628	1,847,490	1,566,040
Due to State banks and bankers	6,014,441	5,984,167	5,845,812	743,947	664,140	550,843	554,260	423,385	259,688
Dividends unpaid	1,554	40	126	30	30	189	1,200	430	1,167
Individual deposits	12,410,469	12,952,884	13,287,661	1,666,130	1,546,519	1,667,624	7,096,388	7,135,244	6,794,537
U. S. deposits	888,811	798,025	864,260	91,680	94,853	94,865	100,000	100,000	100,000
Deposits of U. S. disbursing officers	29,959	119,493	50,525	8,319	5,166	5,1[illegible]4	......	......	......
Notes and bills rediscounted	8,106	90,075	9,891	......	......	......	......	......	153,805
Bills payable	148,000	50,000	200,000	......	......	......	......	......	25,000
Liabilities other than those above stated	......	......	......	......	......	......	7,500	7,500	......
Total	$28,820,063	$29,338,005	$29,595,948	$3,681,186	$3,568,532	$3,583,354	$13,516,194	$12,876,549	$12,265,511
Average reserve held	26.52 p. c.	27.15 p. c.	25.69 p. c.	29.05 p. c.	31.23 p. c.	34.22 p. c.	45.85 p. c.	42.65 p. c.	36.27 p. c.
* Total lawful money reserve in bank	$2,073,082	$2,427,108	$2,451,414	$275,782	$306,657	$274,429	$1,758,168	$1,503,148	$1,476,787

	INDIANAPOLIS, IND.			KANSAS CITY, KANS.			KANSAS CITY, MO.		
RESOURCES.	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*
Loans and discounts	$16,512,499	$17,115,217	$17,850,278	$4,959,150	$4,831,161	$4,225,168	$36,987,525	$37,815,268	$38,735,416
Overdrafts	2,055	953	1,607	1,188	4,783	45,645	556,851	635,439	437,257
U. S. bonds to secure circulation	705,000	805,000	875,000	850,000	850,000	900,000	1,875,600	2,222,600	2,241,000
U. S. bonds to secure U. S. deposits	3,739,000	3,922,700	3,739,000	50,000	50,000	50,000	1,783,040	1,764,000	1,764,000
U. S. bonds on hand	201,960	22,460	191,980	......	......	......	......	13,600	13,200
Premiums on U. S. bonds	188,132	82,973	88,654	44,867	43,602	44,192	21,937	28,375	31,191
Stocks, securities, etc	2,783,083	2,795,452	2,800,755	279,485	315,826	359,308	6,284,727	6,633,291	6,594,599
Banking house, furniture and fixture	276,898	276,518	277,321	4,300	4,400	4,500	397,361	397,361	397,361
Other real estate and mortgages owned	55,747	51,022	48,587	42,191	42,024	42,543	111,008	124,299	128,699
Due from National banks (not reserve agents)	4,186,112	4,509,861	4,579,007	173,638	202,974	327,582	3,604,669	3,362,570	3,258,976
Due from State banks and bankers	1,779,306	2,061,072	2,463,061	122,916	95,735	131,465	6,005,095	4,936,482	5,516,380
Due from approved reserve agents	4,020,115	5,014,824	5,463,129	462,338	380,336	641,305	13,876,891	11,875,160	11,630,933
Checks and other cash items	27,316	45,979	36,664	131,936	3,032	104,819	40,269	59,098	193,592
Exchanges for clearing-house	477,160	668,227	611,200	223,008	11,965	234,065	1,522,665	1,334,673	1,412,492
Bills of other National banks	750,457	853,480	913,195	7,460	23,403	19,643	235,845	286,170	175,363
Fractional paper currency, nickels and cents	5,843	4,587	7,042	722	241	736	11,387	10,236	9,069
*Lawful money reserve in bank, viz.:									
Gold coin	935,252	906,715	766,285	138,545	138,597	312,655	1,865,060	1,240,955	1,330,422
Gold Treasury certificates	1,474,500	1,459,500	1,455,000	10,000	10,000	50,000	1,387,540	1,376,230	1,301,820
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	90,029	76,039	73,362	12,342	15,786	11,106	132,544	130,994	123,472
Silver Treasury certificates	95,082	120,888	131,643	7,845	20,000	5,000	1,056,466	1,459,283	1,090,083
Silver fractional coin	28,283	30,692	25,158	11,484	6,542	3,311	36,274	54,350	54,537
Legal-tender notes	1,306,901	1,224,060	1,478,940	428,230	557,732	617,955	594,850	637,105	502,841
U. S. certificate of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	32,750	37,600	41,000	40,000	42,500	45,000	93,780	111,130	112,050
Due from U. S. Treasurer	550	5,000	......	5	5	5	24,050	28,000	12,820
Total	$39,622,537	$42,110,321	$43,917,794	$7,996,155	$7,650,740	$8,176,008	$78,504,920	$76,536,674	$77,067,528
LIABILITIES.									
Capital stock paid in	$4,300,000	$4,300,000	$4,300,000	$1,200,000	$1,200,000	$1,200,000	$2,650,000	$2,650,000	$2,650,000
Surplus fund	1,540,000	1,540,000	1,560,000	265,000	265,000	270,000	1,204,000	1,204,000	1,205,500
Undiv. profits less expenses and taxes paid	315,885	417,141	520,938	383,479	414,388	378,231	1,827,870	1,943,634	2,097,263
National bank notes issued, less am't on hand	654,950	754,850	824,750	787,500	841,650	884,700	1,796,350	2,143,050	2,160,100
Due to other National banks	5,821,223	6,199,693	7,028,482	1,556,615	1,480,012	1,634,547	20,962,157	19,793,910	21,642,836
Due to State banks and bankers	6,169,268	6,140,137	6,781,391	1,325,768	1,395,933	1,451,732	19,446,080	17,564,553	17,992,573
Dividends unpaid	1,255	79	353	186	111	509	30,954	1,083	1,422
Individual deposits	16,875,313	17,852,844	18,033,815	2,427,605	2,003,644	2,306,288	28,804,534	29,454,587	27,085,822
U. S. deposits	3,558,344	4,642,008	4,567,753	50,000	50,000	50,000	1,678,145	1,667,358	1,680,799
Deposits of U. S. disbursing officers	353,006	......	284,663	......	......	......	16,218	12,965	41,184
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	410,000
Liabilities other than those above stated	23,290	8,198	15,646	......	......	......	88,607	100,526	100,526
Total	$39,622,537	$42,110,321	$43,917,794	$7,996,155	$7,650,740	$8,176,008	$78,504,920	$75,536,674	$77,067,528
Average reserve held	36.14 p. c.	39.72 p. c.	40.04 p. c.	23.11 p. c.	25.77 p. c.	36.08 p. c.	32.90 p. c.	29.69 p. c.	28.63 p. c.
* Total lawful money reserve in bank	$3,929,098	$3,817,394	$3,930,338	$602,946	$748,658	$1,000,027	$5,072,234	$4,898,917	$4,408,125

	LINCOLN, NEB.			LOS ANGELES, CAL.			LOUISVILLE, KY.		
RESOURCES.	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*
Loans and discounts	$2,832,911	$3,063,684	$3,040,539	$15,611,129	$16,929,810	$16,497,308	$16,294,650	$15,795,321	$15,800,516
Overdrafts	31,401	37,101	45,097	213,833	165,577	222,812	35,702	37,382	22,757
U. S. bonds to secure circulation	160,000	280,000	260,000	2,065,000	2,490,000	2,590,000	3,850,000	2,900,000	2,900,000
U. S. bonds to secure U. S. deposits	110,000	110,000	110,000	400,000	400,000	400,000	3,293,800	2,543,800	2,693,800
U. S. bonds on hand	4,000	6,000	6,000	915,150	280,220	200,620	1,400	......	......
Premiums on U. S. bonds	10,870	15,057	14,805	202,572	156,413	153,407	94,437	82,937	147,437
Stocks, securities, etc	253,524	184,126	215,800	1,786,697	1,901,966	2,086,835	2,602,604	2,478,643	2,446,769
Banking house, furniture and fixtures	78,148	78,148	78,148	469,032	469,358	466,355	230,407	230,407	235,590
Other real estate and mortgages owned	11,453	11,429	7,340	39,270	42,719	201,658	116,383	116,420	114,994
Due from National banks (not reserve agents)	545,691	516,476	700,215	1,904,274	2,217,299	1,867,865	2,129,975	2,169,203	1,789,907
Due from State banks and bankers	140,795	184,695	174,705	1,136,947	1,047,808	1,190,178	1,060,345	948,950	1,141,869
Due from approved reserve agents	621,608	591,715	543,834	2,862,731	3,327,258	3,708,272	2,783,237	3,253,095	2,646,847
Checks and other cash items	16,402	38,873	23,130	78,879	137,690	140,290	44,711	26,948	21,070
Exchange for clearing-house	41,814	48,882	23,881	501,611	533,084	627,952	168,685	189,873	144,422
Bills of other National banks	9,645	11,020	14,450	65,389	95,432	90,000	170,857	176,317	178,912
Fractional paper currency, nickels and cents	1,241	2,005	1,067	6,203	5,839	6,954	3,367	4,211	4,670
*Lawful money reserve in bank, viz.:									
Gold coin	115,890	105,840	181,425	2,568,740	2,471,140	2,639,975	552,217	770,077	812,012
Gold Treasury certificates	1,060	4,100	680	194,690	258,790	114,460	242,500	155,000	167,500
Gold clearing-house certificates	......	......	......	333,000	270,000	367,000	60,000	......	......
Silver dollars	8,143	14,975	9,994	64,643	53,930	37,728	61,993	54,502	66,036
Silver Treasury certificates	1,800	1,100	400	90,444	97,821	109,294	65,000	48,763	38,100
Silver fractional coin	12,221	15,749	12,257	110,260	77,842	46,741	49,539	40,002	29,889
Legal-tender notes	146,974	139,960	110,529	105,930	164,648	380,299	902,646	1,299,682	976,341
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	8,000	13,000	13,000	88,250	123,250	129,500	192,500	145,000	145,000
Due from U. S. Treasurer	......	......	......	......	......	......	25,050	12,000	6,000
Total	$5,163,593	$5,453,989	$5,537,302	$31,814,680	$33,717,400	$33,975,509	$35,052,013	$33,473,635	$32,530,435
LIABILITIES.									
Capital stock paid in	$400,000	$400,000	$400,000	$3,800,000	$3,800,000	$3,800,000	$4,645,000	$4,645,000	$4,645,000
Surplus fund	144,000	144,000	159,000	800,000	800,000	810,000	1,792,500	1,792,500	1,852,500
Undiv. profits, less expenses and taxes paid	51,149	66,577	56,398	773,493	881,187	983,526	462,343	608,208	519,289
National bank notes issued, less am't on hand	160,000	280,000	260,000	1,640,915	2,431,060	2,535,820	3,850,000	2,900,000	2,900,000
Due to other National banks	603,991	655,376	666,422	634,774	809,303	728,271	5,149,115	5,006,928	4,884,232
Due to State banks and bankers	1,052,499	1,136,413	1,236,645	1,895,306	1,363,827	1,955,524	5,049,848	4,644,086	4,405,964
Dividends unpaid	588	129	......	5,204	632	796	4,073	3,975	2,850
Individual deposits	2,641,466	2,681,515	2,649,056	22,310,512	23,181,988	22,711,977	10,881,030	11,296,612	10,540,387
U. S. deposits	109,530	109,300	109,209	299,450	346,726	354,608	2,925,850	2,134,425	2,180,153
Deposits of U. S. disbursing officers	368	628	568	100,447	108,304	94,983	279,918	334,564	314,472
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	100,000	250,000
Liabilities other than those above stated	......	......	......	54,576	......	......	12,833	12,333	35,635
Total	$5,163,593	$5,453,989	$5,537,302	$31,814,680	$33,717,400	$33,975,509	$35,052,013	$33,473,635	$32,530,435
Average reserve held	25.71 p. c.	23.87 p. c.	22.5 p. c.	29.38 p. c.	30.21 p. c.	34.10 p. c.	27.60 p. c.	32.40 p. c.	28.91 p. c.
*Total lawful money reserve in bank	$286,068	$281,724	$265,285	$3,467,707	$3,394,171	$3,695,497	$1,933,896	$2,368,026	$2,089,879

	MILWAUKEE, WIS.			MINNEAPOLIS, MINN.			NEW ORLEANS, LA.		
RESOURCES.	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*
Loans and discounts	$28,188,834	$27,838,219	$27,156,143	$19,330,464	$19,730,101	$20,898,904	$14,445,998	$15,451,174	$17,389,063
Overdrafts	446,694	505,589	393,108	4,791	28,835	19,734	739,634	616,121	331,585
U. S. bonds to secure circulation	762,500	1,612,500	1,812,500	1,150,000	1,300,000	1,400,000	1,060,000	1,500,000	1,500,000
U. S. bonds to secure U. S. deposits	1,247,500	1,247,500	1,247,500	450,000	466,000	466,000	550,000	550,000	550,000
U. S. bonds on hand	150,000	......	......	16,000	50,000	120	2,660	2,660	500
Premiums on U. S. bonds	73,600	110,350	114,428	4,940	14,158	13,940	14,388	14,388	41,338
Stocks, securities, etc	2,253,396	2,340,445	2,624,844	969,920	947,922	918,853	2,639,094	2,785,214	2,220,322
Banking house, furniture and fixtures	110,000	110,000	136,434	299,702	318,123	360,877	596,657	596,657	594,657
Other real estate and mortgages owned	81,248	84,425	83,469	30,000	30,000	......	37,456	31,456	32,749
Due from National banks (not reserve agents)	1,283,822	1,589,879	1,836,479	1,597,724	1,662,576	1,510,848	1,046,981	981,567	758,700
Due from State banks and bankers	958,691	1,066,974	977,990	828,722	601,378	811,944	1,201,525	1,146,693	1,209,871
Due from approved reserve agents	4,493,848	4,188,201	4,797,665	3,162,101	1,940,287	2,580,218	2,592,935	2,555,746	2,968,222
Checks and other cash items	45,225	52,494	83,688	34,813	86,567	65,185	31,822	39,267	53,571
Exchanges for clearing-house	522,356	488,897	675,450	934,718	1,005,266	1,164,664	1,388,548	1,692,182	1,012,511
Bills of other National banks	72,835	50,369	68,002	184,925	77,341	120,367	77,692	123,077	135,024
Fractional paper currency, nickels and cents	9,509	3,673	7,895	5,952	8,545	5,638	11,186	6,046	8,567
*Lawful money reserve in bank, viz.:									
Gold coin	1,481,155	1,433,630	1,720,690	873,200	959,492	798,177	117,089	136,290	119,914
Gold Treasury certificates	640,000	730,000	772,000	461,200	435,500	372,500	395,980	417,730	467,100
Gold clearing-house certificates	......	......	......	......	......	......	320,000	275,000	235,000
Silver dollars	90,206	82,700	72,060	48,102	48,563	92,649	82,792	44,153	45,624
Silver Treasury certificates	91,295	126,554	113,700	30,506	32,500	32,200	492,751	750,463	706,411
Silver fractional coin	45,877	39,443	39,861	23,474	26,066	29,227	49,439	34,547	30,306
Legal-tender notes	1,371,904	1,616,908	1,101,950	842,000	554,301	608,963	686,620	727,991	687,025
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	33,125	80,625	88,750	57,500	65,500	70,000	53,000	53,000	75,000
Due from U. S. Treasurer	6,000	8,750	7,500	38,816	14,425	25,162	1,000	7,450	......
Total	$44,459,126	$45,408,129	$45,912,110	$31,839,571	$30,403,451	$32,560,676	$28,634,751	$30,538,875	$31,193,066
LIABILITIES.									
Capital stock paid in	$4,250,000	$4,250,000	$4,550,000	$3,450,000	$3,450,000	$4,450,000	$2,000,000	$2,400,000	$2,400,000
Surplus fund	1,315,000	1,315,000	1,345,000	1,055,000	1,055,000	1,679,000	3,025,000	3,225,000	3,390,000
Undiv. profits, less expenses and taxes paid	889,504	952,568	996,962	324,985	400,746	626,543	460,471	590,744	449,349
National bank notes issued, less am't on hand	661,700	1,601,500	1,767,200	1,118,000	1,289,900	1,379,650	1,045,445	1,488,995	1,487,945
Due to other National banks	4,333,331	4,458,115	3,951,674	6,015,089	5,695,632	5,736,496	2,607,126	2,374,098	1,782,042
Due to State banks and bankers	3,822,938	3,790,457	3,470,525	5,150,319	758,022	4,185,844	1,857,717	1,803,417	3,326,753
Dividends unpaid	1,461	180	189	8,779	420	558	3,559	2,754	9,730
Individual deposits	27,566,909	27,600,413	28,317,904	13,363,488	12,990,101	13,590,509	16,324,966	16,985,409	16,675,601
U. S. deposits	1,248,148	1,141,391	1,111,617	692,927	699,674	711,185	500,000	500,000	500,000
Deposits of U. S. disbursing officers	187,863	263,564	321,383	60,981	38,953	34,887	10,464	10,155	9,845
Notes and bills rediscounted	......	......	......	......	......	......	......	......	600,000
Bills payable	......	......	......	100,000	25,000	175,000	200,000	500,000	495,000
Liabilities other than those above stated	182,268	34,939	79,684	......	......	......	600,000	658,300	96,800
Total	$44,459,126	$45,408,129	$45,912,110	$31,839,571	$30,403,451	$32,560,676	$28,634,751	$30,538,875	$31,193,066
Average reserve held	24.94 p. c.	24.87 p. c.	26.79 p. c.	26.07 p. c.	20.19 p. c.	24.00 p. c.	28.03 p. c.	26.51 p. c.	28.65 p. c.
* **Total lawful money reserve in bank**	$3,720,437	$4,029,236	$3,820,261	$2,278,482	$2,056,423	$2,128,716	$2,144,671	$2,386,174	$2,291,380

	OMAHA, NEB.			PHILADELPHIA, PA.			PITTSBURG, PA.		
RESOURCES.	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*
Loans and discounts	$16,600,916	$16,484,189	$16,020,539	$145,438,639	$150,119,138	$142,378,735	$115,564,565	$114,901,611	$115,086,931
Overdrafts	105,007	128,405	85,296	29,034	20,801	11,722	200,047	272,090	72,694
U. S. bonds to secure circulation	1,250,000	1,250,000	1,250,000	10,519,500	11,144,500	12,144,500	6,545,000	8,290,000	9,785,000
U. S. bonds to secure U. S. deposits	1,000,000	1,000,000	1,000,000	5,034,500	5,101,500	5,124,000	3,504,000	3,504,000	3,504,000
U. S. bonds on hand	10,700	10,600	13,820	9,700	32,500	......	1,000	227,000	2,000
Premiums on U. S. bonds	117,092	115,080	111,835	464,209	486,163	539,948	451,724	513,082	700,474
Stocks, securities, etc	1,852,394	2,002,796	1,858,211	27,312,218	28,587,185	28,237,558	16,119,253	19,609,867	17,590,168
Banking house, furniture and fixtures	577,160	577,160	570,100	3,743,501	3,743,520	3,751,701	7,057,795	7,107,804	7,703,306
Other real estate and mortgages owned	34,204	34,171	29,042	624,868	613,397	607,564	399,511	467,179	452,186
Due from National banks (not reserve agents)	1,571,408	1,779,824	1,935,200	20,702,970	22,571,229	20,637,288	8,236,626	6,828,058	6,403,984
Due from State banks and bankers	808,139	1,128,346	1,088,979	5,112,251	5,153,312	5,203,535	1,623,345	2,299,663	2,960,272
Due from approved reserve agents	3,030,977	2,928,805	3,429,579	30,943,974	31,238,409	29,590,735	12,158,403	8,267,073	10,570,698
Checks and other cash items	90,671	82,570	123,639	2,045,278	1,920,417	1,592,335	766,003	550,335	646,087
Exchanges for clearing-house	608,441	655,874	748,965	14,605,766	15,790,374	11,629,160	5,707,510	5,649,894	4,915,327
Bills of other National banks	126,577	98,478	211,100	339,029	432,087	461,655	528,298	707,856	459,730
Fractional paper currency, nickels and cents	3,491	3,039	3,727	49,381	55,475	67,394	22,864	24,640	21,097
*Lawful money reserve in bank, viz.:									
Gold coin	892,835	1,060,200	1,048,255	1,696,500	1,854,975	1,690,095	3,719,163	4,057,596	3,450,065
Gold Treasury certificates	270,000	336,500	305,020	1,998,400	7,522,720	6,602,070	3,935,380	4,255,670	4,148,750
Gold clearing-house certificates	......	......	......	8,240,000	6,060,000	5,925,000	......	......	......
Silver dollars	110,721	134,756	108,234	231,958	282,896	286,108	356,457	400,300	320,085
Silver Treasury certificates	403,886	386,901	453,650	3,556,151	4,667,665	3,893,312	2,860,675	3,701,615	3,134,920
Silver fractional coin	81,714	81,423	62,385	405,550	425,935	383,271	155,689	180,404	216,698
Legal-tender notes	1,110,994	1,216,948	2,306,615	2,821,574	3,437,426	3,226,372	4,386,338	5,003,151	3,924,218
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	62,500	62,500	62,500	493,475	555,725	607,225	312,350	405,696	486,747
Due from U. S. Treasurer	31,999	4,699	3,299	188,925	124,655	83,856	54,479	105,185	43,574
Total	$30,751,831	$31,512,265	$32,829,995	$286,602,355	$301,941,009	$284,674,657	$194,666,481	$197,329,777	$196,549,018
LIABILITIES.									
Capital stock paid in	$3,250,000	$3,250,000	$3,250,000	$20,905,000	$21,905,000	$21,905,000	$20,000,000	$20,037,100	$21,560,000
Surplus fund	565,000	565,000	570,000	21,890,000	23,655,000	23,725,000	20,010,000	19,111,750	23,640,100
Undiv. profits, less expenses and taxes paid	238,186	284,917	304,445	5,189,374	3,805,642	4,314,832	6,910,445	6,948,394	6,871,184
National bank notes issued, less am't on hand	1,247,700	1,250,000	1,246,400	9,912,535	10,982,735	11,980,085	6,534,097	7,948,127	9,784,987
Due to other National banks	5,569,795	5,912,994	6,474,821	61,816,142	64,449,737	59,743,978	21,499,176	23,644,685	23,794,018
Due to State banks and bankers	4,735,315	5,065,827	5,397,121	36,705,990	41,116,675	34,718,663	17,475,118	18,071,579	17,856,669
Dividends unpaid	1,847	150	150	25,565	41,388	28,655	39,597	34,479	35,187
Individual deposits	14,151,614	14,177,101	14,608,961	124,508,806	129,446,916	122,387,641	95,537,572	91,631,428	86,146,985
U. S. deposits	714,318	702,188	694,564	5,674,557	5,628,122	5,630,918	3,814,620	3,911,859	3,877,687
Deposits of U. S. disbursing officers	278,104	304,086	283,531	233,365	157,791	191,548	130,806	239,816	255,456
Notes and bills rediscounted	......	......	......	......	......	48,333	160,000	431,000	726,578
Bills payable	......	......	......	......	......	......	115,000	375,000	1,462,000
Liabilities other than those above stated	......	......	......	236,020	847,000	......	2,440,048	4,944,556	588,262
Total	$30,751,831	$31,512,265	$32,829,995	$286,602,355	$301,941,009	$284,674,657	$194,666,481	$197,329,777	$196,549,018
Average reserve held	26.74 p. c.	28.49 p. c.	34.14 p. c.	27.68 p. c.	29.33 p. c.	29.16 p. c.	23.[illegible]2 p. c.	22.26 p. c.	23.17 p. c.
* **Total lawful money reserve in bank**	$2,870,150	$3,316,728	$4,284,159	$18,945,133	$24,251,617	$22,006,228	$15,413,703	$17,598,736	$15,194,787

	PORTLAND, ORE.			ST. JOSEPH, MO.			ST. LOUIS, MO.		
RESOURCES.	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*	*Apr. 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*
Loans and discounts	$5,433,334	$5,569,229	$5,880,435	$6,814,477	$6,755,408	$6,314,486	$90,880,742	$86,996,169	$89,312,020
Overdrafts	341,673	450,060	425,254	36,943	30,227	31,484	100,136	111,514	267,985
U. S. bonds to secure circulation	850,000	1,050,000	1,050,000	450,000	505,000	505,000	11,270,640	11,345,640	11,331,640
U. S. bonds to secure U. S. deposits	1,000,000	1,000,000	1,000,070	235,680	235,680	235,680	3,108,150	3,103,150	3,541,400
U. S. bonds on hand	2,300	4,300	4,300	2,300	101,300	1,500	500	500	500
Premiums on U. S. bonds	42,734	55,364	55,364	30,237	38,227	31,327	201,450	143,422	147,078
Stocks, securities, etc	3,376,405	2,920,040	2,830,880	151,055	238,608	234,553	6,374,735	6,552,353	5,108,149
Banking house, furniture and fixtures	235,685	239,706	225,844	85,698	84,000	84,000	1,200,000	1,206,349	1,209,887
Other real estate and mortgages owned	128,797	131,526	117,484	......	......	......	68,358	66,823	65,674
Due from National banks (not reserve agents)	590,829	897,885	967,022	905,355	869,133	983,225	15,230,485	15,448,167	12,466,434
Due from State banks and bankers	348,976	296,508	878,325	377,745	371,827	537,448	5,464,590	4,683,808	4,003,404
Due from approved reserve agents	1,348,720	1,491,961	1,906,292	1,481,214	1,655,009	2,081,975	......	......	......
Checks and other cash items	42,343	53,178	89,163	43,556	20,201	100,159	442,066	370,790	262,798
Exchanges for clearing-house	86,661	109,944	95,930	154,969	228,265	325,943	2,758,627	1,574,615	2,538,512
Bills of other National banks	5,070	6,260	5,780	36,240	35,380	36,160	218,398	155,784	205,727
Fractional paper currency, nickels and cents	4,271	3,337	1,951	3,039	3,698	3,684	5,256	4,361	4,498
*Lawful money reserve in bank, viz.:									
Gold coin	1,811,495	1,682,745	1,751,675	423,442	401,315	413,752	1,769,653	2,154,352	2,054,922
Gold Treasury certificates	......	......	......	51,240	83,900	34,970	12,382,280	12,587,960	9,938,020
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	17,021	17,187	8,406	75,890	76,272	48,502	87,966	58,017	77,995
Silver Treasury certificates	10,827	11,313	13,058	220,802	155,411	164,239	2,195,798	2,089,856	2,109,591
Silver fractional coin	38,796	38,498	19,098	25,966	28,458	13,222	3,629	32,897	26,399
Legal-tender notes	12,076	27,800	28,322	275,718	371,670	290,362	3,949,166	4,632,618	3,725,139
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	42,500	52,500	52,500	22,500	25,250	25,250	543,232	532,782	566,582
Due from U. S. Treasurer	2,250	1,250	......	2,000	1,350	5,000	57,000	69,800	16,000
Total	$15,772,765	$16,110,617	$16,909,084	$11,906,092	$12,315,094	$12,501,925	$158,334,852	$153,921,182	$148,980,310
LIABILITIES.									
Capital stock paid in	$1,050,000	$1,050,000	$1,050,000	$550,000	$550,000	$550,000	$15,400,000	$15,500,000	$15,560,000
Surplus fund	180,000	180,000	200,000	130,000	175,000	175,000	10,850,000	10,350,000	10,850,000
Undiv. profits, less expenses and taxes paid	818,356	946,735	916,357	188,113	131,949	136,841	4,677,304	4,867,249	5,031,308
National bank notes issued, less am't on hand	824,250	1,037,700	1,006,800	450,000	505,000	505,000	11,238,987	11,197,287	11,306,787
Due to other National banks	1,881,219	1,855,960	2,185,813	1,761,553	1,782,534	1,967,011	32,229,581	32,265,729	29,420,435
Due to State banks and bankers	1,682,212	1,502,777	1,996,504	3,346,964	3,536,575	3,905,708	29,054,992	27,765,900	25,476,121
Dividends unpaid	1,730	252	631	......	......	......	18,363	10,330	9,570
Individual deposits	8,440,835	8,607,111	8,619,662	5,173,880	5,873,359	5,001,734	50,943,921	47,488,724	46,752,625
U. S. deposits	306,826	326,307	287,967	301,778	256,713	254,691	4,245,555	4,261,445	4,410,762
Deposits of U. S. disbursing officers	587,334	608,772	645,326	3,807	3,963	5,942	21,027	35,205	38,851
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	......	......	......	......	......	......	155,168	179,311	623,848
Total	$15,772,765	$16,110,617	$16,909,084	$11,906,092	$12,315,094	$12,501,925	$158,334,852	$153,921,182	$148,980,310
Average reserve held	28.39 p. c.	29.51 p. c.	31.50 p. c.	29.25 p. c.	30.44 p. c.	34.39 p. c.	23.67 p. c.	25.79 p. c.	22.43 p. c.
* Total lawful money reserve in bank	$1,890,212	$1,777,543	$1,820,554	$1,078,059	$1,117,026	$965,047	$20,415,487	$21,552,200	$17,932,067

Resources.	ST. PAUL, MINN.			SALT LAKE CITY, UTAH.			SAN FRANCISCO, CAL.		
	Apr. 9, 1903.	June 9, 1903.	Sept. 9, 1903.	Apr. 9, 1903.	June 9, 1903.	Sept. 9, 1903.	Apr. 9, 1903.	June 9, 1903.	Sept. 9, 1903.
Loans and discounts	$15,453,747	$15,759,958	$14,870,466	$3,209,870	$3,440,134	$3,409,096	$26,703,152	$26,085,826	$27,568,076
Overdrafts	1,565	6,590	10,510	310,651	307,586	267,241	428,399	145,886	112,492
U. S. bonds to secure circulation	696,000	846,000	846,000	1,050,000	1,050,000	1,050,000	4,975,000	4,975,000	4,975,000
U. S. bonds to secure U. S. deposits	1,547,000	1,547,000	1,547,000	600,000	600,000	600,000	1,424,000	1,424,000	1,424,000
U. S. bonds on hand	......	820	100	......	......	......	3,397,920	412,200	418,900
Premiums on U. S. bonds	......	3,242	3,224	37,375	37,375	37,375	599,604	298,527	291,786
Stocks, securities, etc	2,894,956	2,927,851	2,927,516	400,473	412,586	521,892	2,582,020	2,715,211	2,628,277
Banking house, furniture and fixtures	535,218	535,593	535,593	147,857	147,857	148,982	342,988	343,017	668,020
Other real estate and mortgages owned	109,884	107,884	101,948	46,589	42,078	35,901	......	......	......
Due from National banks (not reserve agents)	1,130,145	1,510,115	1,570,326	489,569	664,044	862,849	1,654,810	1,120,794	941,647
Due from State banks and bankers	417,328	403,890	617,581	298,064	354,016	390,179	3,556,333	2,890,367	3,546,309
Due from approved reserve agents	3,412,903	3,438,570	2,879,720	527,551	352,900	651,711	2,294,819	2,940,879	2,271,808
Checks and other cash items	120,550	125,954	183,977	13,697	4,135	8,252	14,550	18,925	26,608
Exchanges for clearing-house	403,939	352,835	538,611	69,706	91,488	103,655	740,679	1,114,207	1,254,495
Bills of other National banks	123,002	174,171	155,180	16,040	32,339	27,609	48,137	154,262	108,667
Fractional paper currency, nickels and cents	5,296	4,390	5,307	1,924	1,228	1,000	6,854	3,575	3,300
*Lawful money reserve in bank, viz.:									
Gold coin	1,405,963	1,564,789	1,404,286	873,348	839,341	662,979	4,234,175	3,393,932	3,986,931
Gold Treasury certificates	355,700	335,200	385,400	4,070	100	2,150	2,680	710,430	813,480
Gold clearing-house certificates	......	......	......	......	......	......	1,445,000	300,000	150,000
Silver dollars	107,100	147,700	86,200	45,558	34,856	41,824	98,768	85,510	125,456
Silver Treasury certificates	177,699	70,278	182,605	3,239	6,117	599	19,143	52,508	19,050
Silver fractional coin	73,428	61,153	83,085	15,408	20,949	12,540	173,578	175,911	160,707
Legal-tender notes	412,404	372,725	659,195	55,390	45,860	96,400	39,358	125,767	43,173
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	34,050	39,800	42,300	52,500	52,500	52,200	248,750	248,750	246,850
Due from U. S. Treasurer	5,800	23,500	25,600	......	......	......	2,450	1,650	......
Total	$29,423,683	$30,359,510	$29,656,735	$8,268,914	$8,537,495	$8,983,989	$55,083,172	$49,736,641	$51,785,084
Liabilities.									
Capital stock paid in	$3,800,000	$4,000,000	$4,000,000	$1,100,000	$1,100,000	$1,100,000	$7,350,000	$7,500,000	$7,500,000
Surplus fund	1,005,000	1,005,000	1,036,000	332,500	332,500	332,500	3,685,000	3,685,000	3,738,500
Undiv. profits, less expenses and taxes paid.	514,070	564,195	624,599	282,858	298,924	301,641	784,409	977,807	852,825
State bank notes outstanding	648,170	748,770	798,770	964,150	979,400	998,700	4,799,432	4,876,647	4,883,050
Due to other National banks	3,894,239	4,401,298	3,927,010	200,741	204,838	302,741	3,749,750	3,399,505	3,387,767
Due to State banks and bankers	3,401,729	3,129,266	2,758,056	595,182	691,068	725,317	8,306,386	7,228,213	8,109,846
Dividends unpaid	2,866	397	923	384	506	473	1,747	672	8,872
Individual deposits	14,621,715	14,991,785	14,990,496	4,188,564	4,826,963	4,606,759	21,469,151	20,618,269	21,860,107
U. S. deposits	1,201,382	1,144,231	926,367	553,977	536,889	571,584	4,711,997	1,429,898	1,443,568
Deposits of U. S. disbursing officers	334,559	374,564	594,512	43,370	60,046	25,884	......	......	......
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	......	......	......	7,186	6,857	18,836	175,297	25,627	498
Total	$29,423,683	$30,359,510	$29,656,735	$8,268,914	$8,537,495	$8,983,989	$55,083,172	$49,736,641	$51,785,084
Average reserve held	29.64 p. c.	29.51 p. c.	29.55 p. c.	37.96 p. c.	31.72 p. c.	33.76 p. c.	31.09 p. c.	30.95 p. c.	28.41 p. c.
*Total lawful money reserve in bank	$2,532,295	$2,551,840	$2,800,771	$997,043	$947,224	$816,492	$6,012,702	$4,844,059	$5,298,797

Resources.	Savannah, Ga. Apr. 9, 1903.	Savannah, Ga. June 9, 1903.	Savannah, Ga. Sept. 9, 1903.	Washington, D. C. Apr. 9, 1903.	Washington, D. C. June 9, 1903.	Washington, D. C. Sept. 9, 1903.	Wichita, Kan. Apr. 9, 1903.	Wichita, Kan. June 9, 1903.	Wichita, Kan. Sept. 9, 1903.
Loans and discounts	$2,043,397	$2,006,158	$2,090,773	$14,132,526	$15,480,796	$14,348,918	$2,750,330	$2,853,820	$2,780,178
Overdrafts	1,169	313	369	15,396	8,001	8,561	22,246	17,875	37,025
U. S. Bonds to secure circulation	200,000	300,000	300,000	1,219,000	1,269,000	1,269,000	200,000	250,000	250,000
U. S. bonds to secure U. S. deposits	127,000	127,000	127,000	3,551,000	3,566,000	3,451,000	200,000	250,000	200,000
U. S. bonds on hand	......	......	......	157,670	48,760	179,980	7,580	7,580	7,580
Premiums on U. S. bonds	1,500	7,500	7,000	68,186	193,957	196,578	22,469	23,284	23,159
Stocks, securities, etc	26,024	26,074	23,149	1,572,313	1,564,541	1,521,201	284,082	298,820	387,558
Banking house, furniture and fixtures	54,131	54,131	51,631	1,287,740	1,209,052	1,278,952	92,425	98,198	97,695
Other real estate and mortgages owned	29,744	29,744	29,668	106,105	187,105	187,418	2,250	2,200	2,200
Due from National banks (not reserve agents)	21,543	45,806	78,970	2,421,768	2,835,108	2,232,784	1,118,826	647,975	969,794
Due from State banks and bankers	6,355	13,899	15,731	327,363	298,402	225,057	30,116	27,120	33,501
Due from approved reserve agents	95,796	61,758	221,076	6,209,760	3,450,412	3,945,604	412,622	401,074	821,844
Checks and other cash items	......	......	......	199,918	154,511	162,781	5,404	7,438	10,097
Exchanges for clearing-house	......	37,965	......	464,508	491,755	344,420	68,392	85,784	51,795
Bills of other National banks	10,000	7,000	23,000	8,935	5,460	12,495	97,784	115,558	71,563
Fractional paper currency, nickels and cents.	2,236	2,063	2,850	7,725	6,629	6,434	2,223	1,334	780
*Lawful money reserve in bank, viz.:									
Gold coin	50,000	10,000	15,350	94,032	80,603	85,970	107,130	122,655	84,410
Gold Treasury certificates	45,000	21,000	17,000	2,055,270	1,222,520	1,737,240	48,500	53,000	89,000
Gold clearing-house certificates	......	......	......	50,000	......	......	......	......	......
Silver dollars	16,000	9,000	26,300	6,492	8,736	18,551	14,686	22,000	13,786
Silver Treasury certificates	58,020	33,200	39,400	643,441	633,596	680,040	11,000	11,000	21,000
Silver fractional coin	26,500	22,000	10,500	46,196	56,778	62,563	8,350	9,063	5,032
Legal-tender notes	22,471	24,430	20,592	252,348	200,650	274,372	61,500	96,500	120,529
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	10,000	15,000	15,000	55,950	60,950	60,950	10,000	9,650	12,500
Due from U. S. Treasurer	2	2	2	......	6,450	2,350	10,000	7,000	10,000
Total	$2,846,893	$2,855,563	$3,115,865	$34,953,669	$32,539,778	$32,288,220	$5,587,920	$5,363,936	$6,101,031
Liabilities.									
Capital stock paid in	$750,000	$750,000	$750,000	$2,775,000	$3,425,000	$3,525,000	$500,000	$500,000	$500,000
Surplus fund	225,000	225,000	225,000	1,946,500	2,566,665	2,577,365	85,000	85,000	91,000
Undiv. profits, less expenses and taxes paid.	150,254	164,716	152,322	542,636	379,371	435,712	41,586	49,809	51,600
National bank notes issued, less am't on hand	197,295	294,100	300,000	1,072,415	1,127,850	1,211,847	200,000	250,000	250,000
Due to other National banks	158,698	123,244	118,826	399,666	432,014	520,810	475,155	368,360	619,770
Due to State banks and bankers	292,118	239,064	341,702	991,343	918,297	849,866	1,334,422	1,239,081	1,516,238
Dividends unpaid	59	41	133	6,009	4,372	6,009	3,743	125	100
Individual deposits	838,180	667,411	703,047	20,441,487	19,167,944	18,699,480	2,748,011	2,671,560	2,872,322
U. S. deposits	70,187	83,821	59,710	6,489,814	4,392,926	4,403,869	200,000	200,000	200,000
Deposits of U. S. disbursing officers	57,598	43,663	63,409	67,545	64,445	54,603	......	......	......
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	107,500	265,000	406,212	......	......	......	......	......	......
Liabilities other than those above stated	......	......	......	221,250	60,890	4,655	......	......	......
Total	$2,846,893	$2,855,563	$3,115,865	$34,953,669	$32,539,778	$32,288,220	$5,587,920	$5,363,936	$6,101,031
Average reserve held	24.74 p. c.	20.26 p. c.	33.07 p. c.	46.97 p. c.	30.50 p. c.	37.81 p. c.	20.82 p. c.	21.35 p. c.	30.17 p. c.
*Total lawful money reserve in bank	$217,991	$119,630	$129,142	$3,147,799	$2,202,883	$2,858,736	$251,166	$314,218	$333,757

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, October 3, 1903.

LOW RECORDS FOR BRITISH CONSOLS AND UNITED STATES STEEL SECURITIES were the financial sensations of the month just closed. In both instances interest was excited both at home and abroad. Consols have been declining for some time past and on September 29 fell to 86⅞, the lowest prices recorded since 1866. Last year, when $160,000,000 of new consols were issued, they were placed at 93½. The low rate of interest these securities yield, 2½ per cent., may have had some influence on the price, for it will be remembered that these securities paid three per cent. prior to 1888 when the rate was reduced to 2¾ per cent. In April last the rate was further reduced to 2½ per cent. Other causes, however, undoubtedly influenced the decline.

While British consols bearing 2½ per cent. were selling at about 87 United States two per cents. were quoted at 109, and the fact naturally attracted comment. The advantage which the latter possess rests upon another foundation than the superior credit of the Government. Out of $528,000,000 of two per cents. now outstanding, the National banks hold $483,000,000, or all but about eight per cent., as security for circulation and public deposits. About sixty per cent. of all the bonds issued by our Government is owned by the National banks. With so sure a market it is not surprising that our Government issues should command a high price.

Both in England and here it has been apparent that similar influences have been at work to depress values of securities. There have been tremendous issues of securities in recent years and it has been impossible to maintain a buying movement sufficient to absorb the new securities offered. As the reaction set in there came the necessity of selling marketable securities in order to protect the unmarketable. This operation has been proceeding for some time; whether it is to continue longer, is a question the future must answer.

Month after month during the current year prices of securities have found a new low level. Last month a number of stocks sold at the lowest prices recorded since 1901, although the great majority of stocks are much higher than they were in 1896 and in the main justly so on their merits.

The securities of the United States Steel Corporation were the leaders in the decline during the month. Nearly 900,000 shares of the common stock, 500,000 shares of the preferred stock, and $16,000,000 of the second mortgage bonds were dealt in at the New York Stock Exchange. The common stock fell to 14⅞ on September 29 and the preferred to 58¾ while the bonds touched 67¾ on the day previous. The common stock once sold at fifty-five, in April 1901, and the preferred at 101⅞. The bonds sold at 87⅝, last June. The bonds pay five per cent. interest, the common stock four per cent. and the preferred stock seven per cent. dividends, and that these securities should sell at so low a price is one of the unsolved mysteries of the present financial situation.

The course of these securities has excited inquiry as to the history of the United States Steel Corporation. Its career has not been a very long one, but at the time it was organized there was such a multiplicity of enormous financial operations that no gigantic feat of consolidation or capitalization seemed to attract any very serious consideration. The corporation was organized in February, 1901, and through the efforts of a syndicate secured a number of iron and steel plants, absorbing the companies which operated them and issuing a large amount of securities in exchange for their capital stock. The first annual report issued in February, 1902, contained a statement of the stocks and bonds issued in acquiring the properties. From it we have made an abstract showing first the stock and bond capital of the respective properties, and next the securities issued by the United States Steel Corporation. The following table shows the capitalization at the time the plants were purchased :

	Common stock.	*Preferred stock.*	*Bonds.*	*Total.*
Carnegie Company	$160,000,000	....	$159,450,000	$319,450,000
Federal Steel Co	46,483,700	$53,260,200	....	
National Steel Co	31,970,000	26,996,000	....	
National Tube Co	40,000,000	40,000,000	....	
Am. Steel and Wire Co	49,981,400	39,999,000	....	457,014,500
Am. Tin Plate Co	28,000,000	18,325,000	....	
Am. Steel Hoop Co	19,000,000	14,000,000	....	
Am. Sheet Steel Co	24,499,600	24,499,600	....	
Lake Superior Con. Iron Mines	29,413,905	....	....	91,708,305
Am. Bridge Co	30,946,400	31,348,000	....	
Shelby Steel Tube Co	8,018,200	4,776,100	....	12,794,300
Total	$468,313,205	$253,203,900	$159,450,000	$880,967,105
Syndicate cash, $25,000,000; expenses, etc., $3,000,000				28,000,000
Total				$908,967,105

The syndicate which managed the transfer of the properties paid $25,000,000 to the United States Steel Corporation and expended $3,000,000 additional in its operations. In return a large amount of securities was turned over to the syndicate. The following table shows the securities issued by the corporation in exchange for the securities above set forth, and to the syndicate for its services and the $28,000,000 it paid to the corporation and expended :

	Securities received by company.	*Securities issued in exchange by company.*			
		Common stock.	*Preferred stock.*	*1st mortgage bonds.*	*Total.*
Carnegie Company	**$319,450,000**	**$90,279,000**	**$98,277,100**	**$303,450,000**	***$493,206,100**
Seven companies	**457,014,500**	**269,490,000**	**261,695,700**	....	**531,185,700**
Lake Superior Con. Iron Mines & Am. Bridge Co	**91,708,305**	**72,202,500**	**74,191,500**	....	**146,394,000**
Shelby Steel Tube Co	**12,794,300**	**2,004,500**	**1,791,000**	....	**3,795,500**
Syndicate	**28,000,000**	**64,998,800**	**64,998,700**	....	**129,997,500**
Total	**$908,967,105**	**$498,974,800**	**$500,954,000**	**$303,450,000**	**$1,304,578,800**

*** Includes $1,200,000 cash paid Carnegie Company.**

Besides the securities above issued, $9,250,000 of common stock and $9,250,000 of preferred stock were issued in purchase of a one-sixth interest in the Oliver Iron Mining Company and in the Pittsburg Steamship Company, the capitalization of which was not stated in the report.

So vast a combination of capital and issue of new securities would probably not be possible at the present time, but two years ago excited little comment. There has been a very remarkable change in two years.

In connection with the United States Steel Corporation there were two important events during the month. The corporation announced that it would protect its employees who had invested in the preferred stock, should they keep their stock until January 1, 1908. Messrs. J. P. Morgan & Co. gave notice to the members of the syndicate which underwrote the new bond issue that the first installment of their cash subscriptions, 25 per cent., would be payable October 1, also that it was proposed to extend the syndicate agreement from October 1, 1903, to July 1, 1904.

In the iron and steel trade the situation has not been wholly favorable. There has been a decrease in the demand and prices have been falling. Labor strikes have checked building operations involving the use of iron and steel, while the railroads have not been able to borrow money to carry on contemplated improvements and extensions.

The Secretary of the Treasury has been employing such means as are at his command to prevent any stringency in money as the result of the usual increased demand to move the crops. The demand has been somewhat delayed this year, and, consequently, September has passed without any disturbance in the money market.

To forestall a not improbable contingency, the Secretary has been increasing the Government deposits in National banks, an increase of about $9,000,000 having been made last month. On September 23 he gave notice that he would receive $20,000,000 more of the 3 per cent. bonds of 1908 and the 4 per cent. bonds of 1907 in exchange for the 2 per cents of 1930. About $1,600,000 were exchanged up to the end of the month. The Secretary also offered to redeem the 5 per cent. bonds due February 1, 1904, of which there were then $19,385,050 outstanding, and to allow interest to date of maturity. Holders of these bonds have surrendered $2,000,000 of them for redemption. With these bonds retired, the highest rate of interest which any of the Government bonds will carry will be 4 per cent.

The money market has been in striking contrast to that of a year ago, when the Secretary of the Treasury found it necessary to take radical measures for increasing the money supply. This year call money did not rise above 3 per cent., while in September last year it was almost continuously above 5 per cent., and advanced to 20 per cent. on September 12, to 25 per cent. on the 24th, and to 35 per cent. on the 29th.

The money situation was less favorable abroad, and on September 3 the Bank of England advanced its rate of discount from 3 to 4 per cent. All during the month there was a possibility of a further advance, but the expectation was not realized.

Exceptional anxiety was felt regarding the crops, owing to the lateness of corn. Early in the month the weather conditions were unfavorable, and danger from frost seemed imminent; but there came warmer weather, and at the close of the month a good crop was practically assured.

The wonderful activity in the business of the country and the exceptional prosperity are still manifested in the volume of railroad traffic and in the increase in gross earnings. The compilation by the "Financial Chronicle" of the gross earnings of railroads representing nearly 174,000 miles, or nearly ninety per cent of the total, for the first six months of 1903 shows a total of $847,000,000, compared with $745,000,000 in 1902. This is an increase of $102,000,000, or 13.68 per cent. This follows continuous increases for ten years past. It is estimated that the earnings in the first half of 1902 of all the railroads in the country were $435,000,000 larger than for the same period in 1897. Since June 30 the improvement in earnings has continued, those in August having increased about ten per cent.

Whatever satisfaction is to be found in this exhibit of railroad prosperity must be moderated to some extent by the less favorable showing which net earnings are making. The annual reports of the railroads for the fiscal year ended June 30 are now coming forward, and most of them so far received make it plain that the increase in expenses is preventing an increase in net earnings in proportion to the increase in gross earnings.

We have tabled the earnings of a number of railroads for the year 1902 and 1903 for the purpose of comparing the gross and net. The railroads represent nearly all sections of the country and all classes of traffic. The results of their operations in the two years are shown as follows:

	Gross earnings.		Net earnings.	
	1902.	1903.	1902.	1903.
Chicago Great Western..........	$7,549,689	$7,823,190	$2,060,230	$2,184,664
Clev., Cin., Chic. & St. Louis.....	18,717,072	20,390,761	4,972,152	4,721,330
Atchison, Topeka & Santa Fe....	59,135,086	62,350,898	25,225,818	23,913,288
Canadian Pacific..................	37,503,054	43,957,374	14,085,914	15,836,846
New York, Ontario & Western..	5,456,696	6,176,517	1,298,942	1,619,430
Norfolk & Western...............	17,552,206	21,160,675	7,415,979	8,463,245
Chic., Mil. & St. Paul	45,613,124	47,662,728	15,416,229	16,064,563
Lehigh Valley.....................	23,919,968	26,654,503	5,938,769	7,674,323
Wabash...........................	19,053,493	21,140,829	5,206,057	5,325,167
Southern..........................	37,712,248	42,354,061	10,865,411	11,364,921
Denver & Rio Grande	17,036,828	17,304,559	6,705,286	6,674,709
Chesapeake & Ohio.	16,524,378	16,711,602	5,702,043	5,211,765
Missouri, Kans. & Texas..........	16,391,899	17,208,193	4,519,835	4,759,110
Hocking Valley...................	5,316,522	6,049,698	2,087,191	2,211,172
Central of New Jersey	14,740,237	16,357,156	6,498,398	6,342,345
Chic., Ind. & Louisville...........	4,581,157	5,066,131	1,728,024	1,949,772
Minn., St. Paul & Sault Ste Marie.	6,222,388	7,237,264	3,280,761	3,517,342
Maine Central......................	6,194,304	6,541,160	1,425,166	1,432,308
Mobile & Ohio.....................	6,509,488	7,486,981	2,020,302	2,275,809
Nash., Chat. & St. Louis..........	7,992,530	9,606,370	2,370,415	2,610,766
Seaboard Air Line................	11,579,815	12,706,528	3,435,595	3,387,749
Northern Pacific..................	41,387,380	46,142,105	20,098,966	22,110,012
New York Central................	70,903,868	77,605,778	24,040,379	24,146,464
Reading Railway.................	29,515,534	32,429,791	10,745,536	11,836,528
Illinois Central	40,821,030	45,186,077	12,806,690	13,488,121
Great Northern...................	36,032,255	40,785,647	17,003,897	19,234,692

Twenty-six railroads are enumerated above whose gross earnings last year aggregated about $665,000,000, an increase over the previous year of $60,000,000. Their net earnings were about $230,000,000, an increase of only about $11,000,000. That is, while the gross earnings increased about ten per cent. the net earnings show a gain of only about five per cent.

In our foreign trade returns also there is evidence of a change in the situation which deserves attention. The exports of merchandise in August were less than $90,000,000 in value. August is not a month usually of large exports, but this total is the smallest for any August since 1898. On the other hand, imports have largely increased, exceeding $82,000,000 in August and showing an increase over August, 1898, of $32,000,000. The excess of exports over imports was only $7,549,190, the smallest reported in any month in over six years. How the trade balances have fallen off not only in August, but for several months past, may be seen in the following comparison for the last four years.

NET EXPORTS OF MERCHANDISE.

	1900.	1901.	1902.	1903.
January..............................	$41,700,046	$67,018,521	$50,006,988	$48,817,483
February............................	50,593,041	48,455,315	33,219,236	42,963,778
March	47,684,769	48,586,809	22,522,319	35,863,507
April.................................	43,262,318	44,056,059	33,847,605	22,145,109
May...................................	41,774,324	45,925,208	26,632,444	21,894,454
June..................................	47,650,590	34,369,606	16,125,429	18,198,960
July...................................	36,793,115	36,870,075	9,642,753	9,648,811
August...............................	41,755,477	34,896,992	16,019,029	7,549,190
Eight months.................	$351,163,683	$359,678,585	$207,515,808	$202,119,188

During the four months ended August 31 the net exports were only $52,000,000, as compared with $68,000,000 in 1902, $151,000,000 in 1901 and $168,000,000 in 1900. August exports were reduced this year by the smaller movement in breadstuffs and cotton. The value of breadstuffs exported was $13,000,000, as compared with

$19,000,000 in 1902 and $29,000,000 in 1901, and of cotton $2,000,000, as compared with $6,000,000 in 1902 and $7,000,000 in 1901.

One of the events of the month was a successful corner in cotton, which carried the price of September cotton to 13.20 cents on September 29. The late movement of the crop contributed to the success of the corner. The secretary of the New Orleans Cotton Exchange, Col. Henry G. Hester, estimates the 1903 crop at 10,727,559 bales, valued at $480,770,282. This compares with 10,680,680 bales valued at $438,014,687 in 1902, and with 10,383,422 bales valued at $494,567,549 in 1901. The consumption of cotton by Southern mills has increased at a remarkable rate. During the year ended August 31 it aggregated 2,000,729 bales. In 1897 it was only 1,042,671. In six years the Southern mills have nearly doubled their takings.

Commercial failures, as reported by R. G. Dun & Co., numbered 8,176 during the first nine months of 1903, as compared with 8,676 in the corresponding period in 1902, a decrease of 500. The liabilities, however, show an increase aggregating $101,655,855 against $85,407,490 in 1902. There were sixty-six failures among banks and other fiduciary institutions, with $8,721,611 liabilities, compared with forty-seven in 1902, with liabilities of $28,027,198.

THE MONEY MARKET.—Rates for money have ruled at moderate figures throughout the month, the usual demand for money from interior points having been delayed. Call money did not get above three per cent., but time money was firm at 5½ @ 6 per cent. At the close of the month call money ruled at 2¼ @ 3 per cent., the average rate being 2¾ per cent. Banks and trust companies loaned at 2½ per cent. as the minimum rate. Time money on Stock Exchange collateral is quoted at 5½ per cent. for 60 to 90 days, and 6 per cent. for 3 to 6 months on good mixed collateral. For commercial paper the rates are 6 per cent. for 60 to 90 days' endorsed bills receivable, 6 @ 6½ per cent. for first class 4 to 6 months' single names, and 6½ @ 7 per cent. for good paper having the same length of time to run.

MONEY RATES IN NEW YORK CITY.

	May 1.	*June 1.*	*July 1.*	*Aug. 1.*	*Sept. 1.*	*Oct. 3.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances........	2½—3	2 —2½	4½—10	1¾-3	1½-2	2¾—3
Call loans, banks and trust companies..................................	3½—4	2½—	2½—	2 —	2 —	2½—
Brokers' loans on collateral, 30 to 60 days..................................	4 —	4 —	4 —	4 —	5 —5½	5½—
Brokers' loans on collateral, 90 days to 4 months.........................	4½—	4 —	4¾—5	4½—5	5½—	6 —
Brokers' loans on collateral, 5 to 7 months...........	4¾—5	4½—	5 — ½	5¼— ½	5½—6	6 —
Commercial paper, endorsed bills receivable, 60 to 90 days............	5 —	4½— ¾	5 —	5¾—	6 —	6 —
Commercial paper prime single names, 4 to 6 months..............	5 —5½	4¾—5¼	5 — ½	5¾—6	6 —6½	6 — 6½
Commercial paper, good single names, 4 to 6 months..............	5½—6	5½-6	6 —	6 — ½	6½-7	6½— 7

NEW YORK CITY BANKS.—The clearing-house banks of New York suffered a continuous decline in deposits during the month, resulting in a decrease of nearly $23,000,000 since the last of August. They are, however, $21,000,000 larger than they were a year ago, while the decrease in September last year was in excess of $40,000,000. Loans, after increasing $23,000,000 early in September, have been reduced $13,000,000 in the last three weeks, but they are $40,000,000 more than at this time in 1902. The reserves are much stronger than they were a year ago, the surplus now being nearly $14,000,000 as compared with less than $2,000,000 in 1902. The banks hold $16,000,000 more specie and $3,000,000 more legal tenders than at this time last year. There was an increase of nearly $2,000,000 in circulation during the month, making an increase of $10,000,000 since October 1, 1902.

New York City Banks—Condition at Close of each Week.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Sept. 5...	$924,415,800	$174,736,300	$74,093,800	$918,131,300	$17,296,975	$43,871,400	$974,730,825
" 12...	926,582,800	172,068,200	72,852,900	918,195,600	15,372,200	44,798,800	774,680,688
" 19...	922,055,800	1 9,391,900	71,152,300	909,482,300	18,173,625	45,366,900	1,023,487,271
" 26...	917,047,700	168,085,800	71,819,800	901,345,200	14,569,300	45,686,500	1,089,634,434
Oct. 3...	912,903,100	167,478,400	70,762,700	897,214,400	13,937,500	45,674,700	1,327,845,721

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

Month.	*1901.*		*1902.*		*1903.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$854,189,200	$11,525,900	$910,860,800	$7,515,575	$873,115,000	$10,198,850
February......	969,917,500	24,838,825	975,997,000	26,623,350	931,778,900	27,880,775
March.........	1,012,514,000	14,801,100	1,017,488,800	9,975,925	956,206,400	5,951,900
April.........	1,004,283,200	7,870,500	965,353,300	6,965,575	894,260,000	6,280,900
May...........	970,790,500	16,759,775	968,189,600	7,484,000	905,760,200	11,181,850
June..........	952,898,200	21,253,050	948,326,400	11,929,000	918,081,800	9,645,150
July..........	971,382,000	8,484,200	955,829,400	12,978,350	908,719,800	12,923,850
August........	955,912,200	22,165,350	957,145,500	13,738,125	908,864,300	24,060,075
September....	968,121,900	11,919,925	935,998,500	9,742,775	920,123,900	20,677,925
October.......	936,452,300	16,293,025	876,519,100	3,236,625	897,214,400	13,937,500
November....	958,062,400	10,482,800	893,791,200	21,339,100	....	....
December.....	940,668,500	13,414,575	883,836,800	15,786,300	....	....

Deposits reached the highest amount, $1,019,474,200 on Feb. 21, 1901, loans, $950,208,700 on February 21, 1903, and the surplus reserve $111,623,000 on Feb. 3, 1894.

Non-Member Banks—New York Clearing-House.

Dates.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
Aug. 29....	$77,712,900	$82,878,100	$3,350,900	$4,847,700	$8,502,000	$2,500,400	* $2,018,525
Sept. 5....	77,646,700	82,744,000	3,352,900	4,312,000	8,590,000	2,194,300	* 2,236,800
" 12....	78,046,000	84,022,800	3,424,400	4,723,100	9,102,200	2,198,500	* 1,557,500
" 19....	78,400,100	84,173,200	3,358,800	4,541,700	8,691,100	2,604,200	* 1,852,500
" 26....	78,782,300	84,183,800	3,377,600	4,596,000	8,382,800	2,638,400	* 2,061,150

* Deficit.

Boston Banks.

Dates.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
Aug. 29.......	$180,588,000	$192,919,000	$14,467,000	$6,019,000	$6,541,000	$94,998,700
Sept. 5.......	179,658,000	194,311,000	14,981,000	5,633,000	6,636,000	107,417,800
" 12.......	180,251,000	194,036,000	15,344,000	5,482,000	6,477,000	91,016,300
" 19.......	181,093,000	201,574,000	16,867,000	5,382,000	6,783,000	121,342,300
" 26.......	185,590,000	209,559,000	17,987,000	5,385,000	6,459,000	129,074,900

Philadelphia Banks.

Dates.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
Aug. 29..................	$183,168,000	$203,701,000	$51,886,000	$11,337,000	$103,117,900
Sept. 5..................	183,781,000	203,593,000	51,842,000	11,454,000	102,219,200
" 12..................	183,863,000	204,027,000	51,125,000	11,485,000	79,081,300
" 19..................	183,364,000	208,321,000	53,508,000	11,478,000	100,506,500
" 26..................	183,192,000	206,696,000	53,875,000	11,498,000	106,623,200

FOREIGN EXCHANGE.—Rates for sterling declined early in the month, but subsequently advanced. Late in the month the market was dull and weaker. Cotton bills have been coming on the market in moderately large amounts against shipments already made or shortly to be made.

RATES FOR STERLING AT CLOSE OF EACH WEEK.

WEEK ENDED.	BANKERS' STERLING. 60 days.	BANKERS' STERLING. Sight.	Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
Sep. 5	4.8325 @ 4.8340	4.8635 @ 4.8645	4.8675 @ 4.8685	4.82¾ @ 4.83	4.82¼ @ 4.82¾
" 12	4.8250 @ 4.8275	4.8590 @ 4.8610	4.8635 @ 4.8645	4.82 @ 4.82¼	4.81½ @ 4.82¾
" 19	4.8260 @ 4.8275	4.8650 @ 4.8660	4.8715 @ 4.8725	4.82¼ @ 4.82½	4.81½ @ 4.83¾
" 26	4.8260 @ 4.8280	4.8620 @ 4.8230	4.8690 @ 4.8700	4.82 @ 4.82¼	4.81¾ @ 4.83
Oct. 3	4.8220 @ 4.8230	4.8575 @ 4.8585	4.8630 @ 4.8645	4.81⅝ @ 4.81⅞	4.81 @ 4.82½

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	June 1.	July 1.	Aug. 1.	Sept. 1.	Oct. 1.
Sterling Bankers—60 days	4.85⅛— ⅜	4.84⅞—85	4.83⅛— ⅝	4.83¼— ½	4.82¾— ⅝
" " Sight	4.88⅛— ¼	4.87¼— ½	4.85¾— ⅞	4.86 — ¼	4.86 — ⅛
" " Cables	4.88¾— ⅞	4.87¾— ⅞	4.86¼— ⅜	4.86⅜— ⅝	4.86⅝— ¾
" Commercial long	4.84¾— 5	4.84¼— ¾	4.83⅛— ¼	4.82⅛— 3	4.81⅞—2
" Docu'tary for paym't.	4.84¼— 5⅛	4.84 — 5¼	4.82½— 3⅝	4.82¼— 3⅛	4.81¼— 2⅛
Paris—Cable transfers	5.15 —	5.15 —	5.16¼—	5.16⅞— ¼	5.17½—
" Bankers' 60 days	5.18⅛—17½	5.18⅛—	5.19⅜—	5.19⅜—18¾	5.20⅝— 1/16
" Bankers' sight	5.15⅝—	5.15⅝—	5.16⅞—	5.16⅞—	5.18⅛—
Swiss—Bankers' sight	5.15 1/16—15	5.15⅝—	5.16⅞—	5.16⅞—	5.18⅛—
Berlin—Bankers' 60 days	94⅞— 15/16	95 — 1/16	94 13/16—	94⅞— 13/16	94 13/16— 13/16
" Bankers' sight	95⅛—	95⅛— 3/16	95 1/16— ⅜	95 1/16—	95 3/16—
Belgium—Bankers' sight	5.16¼—	5.16¼—	5.17½—	5.18⅛—17⅛	3.19⅝—
Amsterdam—Bankers' sight	40¼—	40 5/16— ⅜	40¼—	40¼— 5/16	40¼—
Kronors—Bankers' sight	26.86—26.88	26.89 —26.91	26.82—26.84	26.83—26.86	26.79—26.82
Italian lire—sight	5.15⅝—	5.15⅝— 1/16	5.16⅞ - ¼	5.16⅞—15⅝	5.17½—16⅝

MONEY RATES ABROAD.—Rates for money were generally higher at European centers. The Bank of England advanced its rate of discount from 3 to 4 per cent. on September 3, and a further advance was expected later in the month, but the 4 per cent. rate was maintained. Discounts of 60 to 90 day bills in London at the close of the month were 4 per cent. against 2⅞ @ 3⅛ per cent. a month ago. The open market rate at Paris was 2¾ per cent. against 2⅜ @ 2½ per cent. a month ago, and at Berlin and Frankfort 3⅝ per cent. against 3½ a month ago.

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	June 10, 1903.	July 15, 1903.	Aug. 12, 1903.	Sept. 9, 1903.
Circulation (exc. b'k post bills)	£28,934,660	£29,625,505	£29,594,115	£29,095,465
Public deposits	7,325,453	6,914,657	6,555,514	7,231,961
Other deposits	40,890,446	41,449,922	41,179,961	38,770,079
Government securities	14,978,219	15,842,840	16,548,841	17,060,841
Other securities	25,422,185	25,988,711	25,508,819	23,714,428
Reserve of notes and coin	25,648,175	25,148,480	23,253,399	23,641,189
Coin and bullion	36,407,835	36,596,985	35,272,514	34,286,654
Reserve to liabilities	53 1/16%	51⅞%	49⅝%	51¼%
Bank rate of discount	3½%	3%	3%	4%
Price of Consols (2¾ per cents.)	90¾	92 11/16	90 11/16	89⅝
Price of silver per ounce	24⅛d.	24¾d.	25 3/16d.	26⅜d.

EUROPEAN BANKS.—The Bank of England lost $11,000,000 gold last month and holds $10,000,000 less than a year ago. The Bank of France lost $16,000,000 and Germany $22,000,000, while Russia gained $2,000,000 and Austria Hungary $3,000,000. France has about $20,000,000 less than at this time last year, while Russia holds $50,000,000 more.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	August 1, 1903.		*Sept. 1, 1903.*		*Oct. 1, 1903.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England	£36,058,271	....	£36,101,547	....	£33,809,390	....
France	102,468,410	£45,024,536	102,246,885	£44,859,588	98,912,763	£44,641,080
Germany	35,548,000	12,490,000	36,113,000	12,688,000	31,747,000	11,154,000
Russia	81,344,000	8,978,000	81,247,000	8,776,000	81,622,000	7,684,000
Austria-Hungary	45,358,000	13,066,000	45,428,000	12,839,000	46,036,000	12,578,000
Spain	14,584,000	20,468,000	14,624,000	20,145,000	14,656,000	19,900,000
Italy	18,968,000	2,315,000	19,196,000	2,298,800	19,576,000	2,383,200
Netherlands	3,940,000	6,520,400	3,942,500	6,491,000	3,952,000	6,448,200
Nat. Belgium	2,940,000	1,470,333	2,940,667	1,470,333	2,910,667	1,453,333
Totals	£341,228,681	£110,332,469	£341,839,599	£109,567,721	£333,221,820	£106,423,813

SILVER.—The price of silver in London was weaker in September but most of the advance of the previous two months was held. The highest price for the month was 26 11/16d, the lowest 26 3/16d and the final 26 7/16d, a net decline of 5/16d.

MONTHLY RANGE OF SILVER IN LONDON—1901, 1902, 1903.

MONTH.	1901.		1902.		1903.		MONTH.	1901.		1902.		1903.	
	High	*Low.*	*High*	*Low.*	*High*	*Low.*		*High*	*Low.*	*High*	*Low.*	*High*	*Low.*
January	29 9/16	27 7/8	26 1/16	25 3/8	22 3/8	21 11/16	July	28 9/16	27 3/4	24 9/16	24 3/16	25 3/8	24 1/4
February	28 7/16	27 7/8	25 3/8	25 5/16	22 5/16	21 7/8	August	28 7/16	27 15/16	24 7/16	24 1/8	26 3/4	25 5/16
March	28 3/16	27 5/16	25 7/16	24 13/16	22 15/16	22 1/8	Septemb'r	28 7/16	29 1/4	24 1/8	23 9/16	26 11/16	26 3/16
April	27 15/16	26 15/16	24 7/8	23 5/16	25 1/16	22 5/8	October	30 3/16	29 1/8	23 11/16	23 1/4	....	....
May	27 5/8	27 3/16	24 1/8	23 6/16	25 1/4	24 5/16	Novemb'r	29 15/16	29 7/16	23 1/4	21 3/4	....	....
June	27 5/8	27 1/4	24 7/16	23 15/16	24 9/16	24 1/8	Decemb'r	29 15/16	29 1/2	22 1/2	21 13/16	....	....

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	*Asked.*
Sovereigns & Bk. of Eng. notes	$4.85	$4.89
Twenty francs	3.86	3.89
Twenty marks	4.74	4.77
Twenty-five pesetas	4.73	4.81
Spanish doubloons	15.55	15.65
Mexican doubloons	15.50	15.65
Mexican 20 pesos	$19.52	$19.60
Ten guilders	3.95	4.00
Mexican dollars	.46	.47 1/8
Peruvian soles	.42	.45
Chilian pesos	.42	.45

Fine gold bars on the first of this month were at par to 1/4 per cent. premium on the Mint value. Bar silver in London, 27 7/16d. per ounce. New York market for large commercial silver bars, 59 5/8 @ 60 3/4c. Fine silver (Government assay), 59 7/8 @ 61 1/4c. The official price was 59 1/8c.

GOLD AND SILVER COINAGE.—The coinage at the mints in September aggregated $2,626,371.25 as follows : gold, $645,692.50 ; silver, $1,807,468.75 ; minor coin, $173,210. There were 180,075 silver dollars coined. The Philippine coinage amounted to 2,007,959 pieces.

COINAGE OF THE UNITED STATES.

	1901.		*1902.*		*1903.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
January	$12,657,200	$2,713,000	$7,660,000	$2,908,637	$7,635,178	$1,707,000
February	9,230,900	2,242,166	6,643,850	2,489,060	7,488,510	1,521,000
March	6,182,152	3,120,580	1,558	2,965,577	6,879,920	1,595,987
April	18,958,000	2,633,000	3,480,315	3,388,273	137,400	1,809,000
May	9,325,000	3,266,000	426,000	1,873,000	69,000	1,584,000
June	5,948,080	2,836,185	500,345	2,464,353	610	3,840,222
July	4,225,000	1,812,000	2,120,000	2,254,000	....	337,327
August	6,780,000	3,141,000	8,040,000	2,236,000	450,000	452,000
September	4,100,178	3,899,524	3,560,860	2,331,165	645,692	1,807,469
October	5,750,000	2,791,489	1,890,000	2,287,000	....	....
November	6,270,900	917,000	2,675,000	2,399,000	....	....
December	12,309,338	1,966,514	6,277,925	1,962,216	....	....
Year	$101,735,187	$30,838,461	$47,109,852	$29,928,167	$23,305,692	$14,654,005

NATIONAL BANK CIRCULATION.—There was an increase in the amount of National bank notes outstanding last month of $1,838,560 but the circulation based on Government bonds was reduced $500,000, while that based on deposits of lawful money increased $2,400,000. The Government bonds deposited to secure circulation were reduced $3,000. There was a reduction in the 4's of 1907 and the 2 per cents. of 1900 and an increase in other issues. The bonds deposited to secure public deposits increased $11,600,000, nearly $5,000,000 being in 2 per cents., $2,000,000 in State and city bonds, and $3,000,000 in Philippine certificates.

NATIONAL BANK CIRCULATION.

	June 30, 1903.	*July 31, 1903.*	*Aug. 31, 1903.*	*Sept. 30, 1903.*
Total amount outstanding	$413,670,650	$417,346,487	$418,587,975	$420,426,535
Circulation based on U. S. bonds	372,295,408	377,606,826	380,076,322	379,515,824
Circulation secured by lawful money	41,375,242	39,739,661	38,511,653	40,910,711
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	3,875,500	3,264,750	3,183,250	3,157,700
Five per cents. of 1894	632,400	556,150	556,150	858,650
Four per cents. of 1895	1,570,100	1,530,100	1,490,100	1,585,100
Three per cents. of 1898	2,368,320	2,179,380	2,153,580	2,229,080
Two per cents. of 1900	367,400,950	372,642,650	374,103,350	373,654,300
Total	$375,347,270	$380,173,030	$381,486,430	$381,484,830

The National banks have also on deposit the following bonds to secure public deposits; 4 per cents. of 1907, $4,873,900; 5 per cents. of 1894, $4,847,450; 4 per cents. of 1895, $11,422,550; 3 per cents. of 1898, $8,082,520; 2 per cents. of 1900, $109,720,400; District of Columbia 3.65's, 1924, $1,694,000; State and city bonds, $18,274,052; Philippine Island certificates, $5,800,000, a total of $164,214,872.

GOVERNMENT REVENUES AND DISBURSEMENTS.—The receipts of the Government in September were in excess of the disbursements by more than $6,500,000, which makes a surplus for the first quarter of the fiscal year of nearly $5,600,000. In September last year there was a surplus of $11,000,000 and in the first quarter of $9,000,000. The month's receipts were $3,600,000 less than a year ago of which decrease $2,600,000 was in customs and only $600,000 in internal revenues. Expenditures show an increase compared with last year of about $900,000, although interest payments were nearly $3,000,000 smaller. The principal increase in disbursements was for war and pensions.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	*August, 1903.*	*Since July 1, 1903.*
Customs	$23,635,074	$71,903,296
Internal revenue	19,201,229	60,447,459
Miscellaneous	2,133,515	11,083,317
Total	$44,969,818	$143,434,072
Excess of receipts	6,538,855	5,590,375

EXPENDITURES.

Source.	*August, 1903.*	*Since July 1, 1903.*
Civil and mis	$9,487,653	$33,421,515
War	8,026,101	34,742,519
Navy	7,918,173	23,664,222
Indians	459,101	2,878,025
Pensions	12,067,414	37,670,650
Interest	472,521	5,471,766
Total	$38,430,963	$137,843,697

UNITED STATES PUBLIC DEBT.—The public debt statement for September shows that $1,600,000 of the 3 per cents of 1898 and 4 per cents of 1907 have been exchanged for 2 per cents., and $2,000,000 of the 5 per cents. of 1904 have been redeemed under the offer of the Secretary of the Treasury in his circular of September 23. The bonded debt is thus reduced $2,000,000 and is now only about $912,500,000. The National bank redemption fund was increased $1,800,000 and gold and silver certificates $6,000,000, making the aggregate debt show an increase of about $5,700,000. The net cast in the Treasury increased about $6,000,000 and the net debt, less cash in the Treasury, was reduced more than $6,000,000. Since January 1 the net debt has been reduced more than $29,000,000.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1903.	*Aug. 1, 1903.*	*Sept. 1, 1903.*	*Oct. 1, 1903.*
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent........	$445,940,750	$526,752,800	$527,068,350	$528,723,050
Funded loan of 1907, 4 "	233,178,650	168,384,950	168,079,600	167,026,800
Refunding certificates, 4 per cent......	31,230	30,540	30,540	30,530
Loan of 1904, 5 per cent.................	19,385,050	19,385,050	19,385,050	17,383,100
" 1925, 4 "	118,489,900	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent........	97,515,660	81,498,160	81,472,960	80,886,060
Total interest-bearing debt...........	$914,541,240	$914,541,400	$914,541,400	$912,539,440
Debt on which interest has ceased... ...	1,255,710	1,205,070	1,204,070	1,197,050
Debt bearing no interest:				
Legal tender and old demand notes.....	346,734,863	346,734,863	346,734,863	346,734,863
National bank note redemption acct..	42,169,652	38,962,178	38,023,498	39,827,135
Fractional currency.....................	6,872,594	6,871,240	6,871,240	6,871,240
Total non-interest bearing debt......	$395,774,109	$392,568,282	$391,629,597	$393,433,239
Total interest and non-interest debt.	1,311,574,059	1,308,314,752	1,307,375,068	1,307,169,729
Certificates and notes offset by cash in the Treasury:				
Gold certificates........................	383,564,069	412,087,869	416,385,869	420,487,869
Silver "	468,957,000	463,614,000	462,384,000	464,715,000
Treasury notes of 1890	24,053,000	18,556,000	17,970,000	17,498,000
Total certificates and notes...........	$876,574,069	$894,257,869	$896,739,869	$902,700,869
Aggregate debt	2,188,148,128	2,202,572,621	2,204,114,936	2,209,870,598
Cash in the Treasury:				
Total cash assets	1,331,081,200	1,366,194,228	1,374,539,898	1,387,221,829
Demand liabilities.......................	966,671,820	987,902,783	991,089,187	997,804,645
Balance	$364,409,380	$378,291,444	$383,450,711	$389,417,184
Gold reserve.............................	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance........................	214,409,380	228,291,444	233,450,711	239,417,184
Total	$364,409,380	$378,291,441	$383,450,711	$389,417,184
Total debt, less cash in the Treasury.	947,164,679	930,023,311	923,924,357	917,752,545

UNITED STATES FOREIGN TRADE.—Only three times in the last five years have the exports of merchandise been as small in any one month as they were in August this year. The total value was $89,585,440. In June, 1902, they were $89,240,483; in July, 1902, $88,790,627, and in August, 1898, $84,565,561. With these exceptions, the record this year is the lowest in five years. August is not usually a month of large exports, but in August last year they were $5,000,000 more than this year, and in 1901 $18,000,000 more. Imports of merchandise make a very different showing. They were valued at $82,036,250, the largest reported for that month in any year. They were $3,000,000 more than in 1902, and $32,000,000 more than in August, 1898. The net exports of merchandise during the month were only $7,549,190 as against over $16,000,000 in 1902, nearly $35,000,000 in 1901, and $42,000,000 in

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF AUGUST.	MERCHANDISE.			Gold Balance.	Silver Balance.
	Exports.	*Imports.*	*Balance.*		
1898..................	$84,565,561	$49,677,349	Exp., $34,888,212	Imp., $13,340,903	Exp., $1,246,735
1899..................	104,646,020	66,643,810	" 38,002,210	" 3,292,349	" 814,232
1900..................	103,575,965	61,820,488	" 41,755,477	Exp., 13,846,580	" 2,588,725
1901..................	108,024,209	73,127,217	" 34,896,992	" 3,339,667	" 1,781,919
1902..................	94,942,310	78,923,281	" 16,019,029	Imp., 2,837,883	" 2,937,669
1903..................	89,585,440	82,036,250	" 7,549,190	" 7,724,081	Exp., 299,421
EIGHT MONTHS.					
1898..................	778,632,207	426,922,568	Exp., 351,709,639	Imp., 100,856,362	Exp., 15,182,869
1899..................	792,590,823	515,190,433	" 277,400,390	Exp., 584,316	" 14,769,141
1900..................	916,062,516	564,898,833	" 351,163,683	" 19,670,792	" 15,679,688
1901..................	939,329,341	579,650,756	" 359,678,585	" 9,022,596	" 16,357,829
1902..................	821,929,100	614,418,297	" 207,515,803	" 10,540,928	" 14,640,299
1903..................	879,088,217	676,969,029	" 202,119,188	" 14,122,707	" 7,675,833

1900. As we imported, net, $7,724,031 gold and $299,421 silver, there is a balance of net imports of merchandise and specie of nearly $500,000. It is a long time since such a balance has been shown in any month.

MONEY IN CIRCULATION IN THE UNITED STATES.—There was an increase of nearly $16,000,000 in the amount of money in circulation last month, $2,000,000 in gold coin, $3,000,000 in silver dollars, $2,000,000 in subsidiary silver, $2,600,000 in silver certificates, $1,000,000 in United States notes, and $5,500,000 in National bank notes. The per capita circulation is now $29.75, as compared with $29.43 on January 1.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1903.	*Aug. 1, 1903.*	*Sept. 1, 1903.*	*Oct. 1, 1903.*
Gold coin	$629,680,632	$620,879,790	$620,875,159	$622,550,934
Silver dollars	78,810,834	72,568,354	72,959,012	75,959,488
Subsidiary silver	94,350,669	92,246,880	92,870,952	94,867,102
Gold certificates	346,418,819	386,369,399	394,155,919	394,097,659
Silver certificates	463,570,682	454,893,962	455,928,384	458,522,216
Treasury notes, Act July 14, 1890	23,920,426	18,467,578	17,850,254	17,335,208
United States notes	343,770,858	335,195,565	335,377,568	336,378,769
National bank notes	368,678,531	401,397,500	399,384,930	404,905,698
Total	$2,348,700,901	$2,382,018,498	$2,388,902,178	$2,404,617,069
Population of United States	79,799,000	80,602,000	80,717,000	80,831,000
Circulation per capita	$29.43	$29.55	$29.60	$29.75

MONEY IN THE UNITED STATES TREASURY.—While the gold in the United States Treasury increased in September $7,000,000 there was a decrease in all other forms of money of nearly $9,000,000, while certificates and Treasury notes outstanding were increased about $2,000,000. The net money in the Treasury shows a reduction of $3,700,000.

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1903.	*Aug. 1, 1903.*	*Sept. 1, 1903.*	*Oct 1, 1903.*
Gold coin and bullion	$617,196,083	$634,869,278	$647,858,790	$654,811,717
Silver dollars	470,783,167	485,579,592	485,262,934	482,442,538
Silver bullion	23,057,667	15,836,557	15,601,548	14,982,959
Subsidiary silver	6,419,206	9,432,720	8,996,276	7,958,266
United States notes	2,910,158	11,485,451	11,303,448	10,302,247
National bank notes	16,251,253	15,948,987	19,208,045	15,520,697
Total	$1,136,617,534	$1,173,152,585	$1,187,726,041	$1,186,018,564
Certificates and Treasury notes, 1890, outstanding	833,909,877	859,730,909	867,934,557	869,955,083
Net cash in Treasury	$302,707,657	$313,421,676	$319,791,484	$316,063,481

SUPPLY OF MONEY IN THE UNITED STATES.—Some $12,000,000 was added to the stock of money in the country during the month, more than $9,500,000 of it gold and nearly $2,000,000 National bank notes. The estimated total is nearly $2,721,-000,000, an increase of $69,000,000 since January 1.

SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1903.	*Aug. 1, 1903.*	*Sept. 1, 1903.*	*Oct. 1, 1903.*
Gold coin and bullion	$1,246,876,715	$1,255,749,068	$1,267,733,949	$1,277,362,651
Silver dollars	549,093,501	558,147,946	558,221,946	558,402,081
Silver bullion	23,057,667	15,836,557	15,601,548	14,982,959
Subsidiary silver	100,769,875	101,679,100	101,867,228	102,825,368
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	384,929,784	417,346,187	418,587,975	420,486,535
Total	$2,651,408,558	$2,695,440,174	$2,708,693,662	$2,720,680,550

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of September, and the highest and lowest during the year 1903, by dates, and also, for comparison, the range of prices in 1902:

	Year 1902.		Highest and Lowest in 1903.		September, 1903.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	95⅝	74¼	89⅞–Jan. 10	54 –Aug. 10	68⅛	60⅛	61⅛
" preferred	106⅛	95½	103⅛–Jan. 10	84⅝–Aug. 10	92⅛	86	87½
Baltimore & Ohio	118⅛	95⅝	104 –Jan. 9	71⅝–Sept. 28	83⅜	71⅝	72⅞
Baltimore & Ohio, pref.	99	92	96¾–Feb. 11	82¾–July 25	87⅛	85	86¾
Brooklyn Rapid Transit	72⅜	54¾	71⅛–Feb. 17	29⅛–Sept. 28	47¼	29⅛	31¾
Canadian Pacific	145¼	112¼	138¾–Feb. 10	117⅛–June 10	125	118	119⅛
Canada Southern	97	71	78½–Jan. 5	57½–Sept. 24	60⅛	57½	59¾
Central of New Jersey	198	165	190 –Jan. 19	156½–July 27	161¾	161¾	161¾
Ches. & Ohio vtg. ctfs.	57½	45⅝	53⅝–Feb. 10	27½–Aug. 6	34	27½	28½
Chicago & Alton	45⅜	29½	37¼–Jan. 5	18½–Sept. 28	23¼	18½	20¾
" preferred	79	68	73⅛–Jan. 7	60 –Sept. 29	64	60	61
Chicago, Great Western	35	22	29⅝–Jan. 9	13 –Aug. 6	17⅜	14	14⅝
Chic., Milwaukee & St. Paul	198¾	160½	183¼–Jan. 7	133¼–Aug. 8	148¾	135¼	137
" preferred	200¾	186	194½–Jan. 9	168 –Aug. 10	173	172½	172½
Chicago & Northwestern	271	204⅛	224½–Jan. 14	153 –Sept. 28	167	153	156
" preferred	274½	230	250 –Jan. 7	190 –Aug. 8	200	192	192
Chic., St. Paul, Minn. & Om.	170½	140	162 –Jan. 19	117 –July 14	123½	123½	123½
" preferred	210	194⅞	194 –Jan. 5	190 –May 10	....	....	....
Chicago Terminal Transfer	24⅞	15	19⅞–Jan. 9	8 –Sept. 29	11¼	8	9⅞
" preferred	44	29	36 –Jan. 8	15 –Sept. 24	21	15	17
Clev., Cin., Chic. & St. Louis	106⅜	93	99⅝–Jan. 6	66 –Aug. 10	74½	67	71
Col. Fuel & Iron Co.	110½	73¾	82½–Jan. 6	40 –July 27	51⅝	40	41
Colorado Southern	35¾	14⅛	31⅝–Jan. 7	10 –July 24	14⅛	10⅞	12
" 1st preferred	79½	59¼	72 –Jan. 9	44½–Aug. 8	54	47¼	48
" 2d preferred	53⅞	28	48 –Jan. 8	17 –Aug. 5	23¼	18	19⅛
Consolidated Gas Co.	230¾	205	222 –Jan. 7	164 –Aug. 10	176¼	165	167
Delaware & Hud. Canal Co.	184½	153½	183½–Feb. 2	149 –Aug. 10	164	149	151
Delaware, Lack. & Western	297	231	276½–Jan. 8	230 –July 24	238	230	234
Denver & Rio Grande	51¾	35½	43 –Feb. 9	19½–Sept. 28	25½	19½	20¼
" preferred	96¾	86½	90½–Feb. 9	67 –Sept. 28	79⅜	67	68½
Erie	44⅝	28⅝	42⅝–Jan. 9	23 –Aug. 8	30⅝	23¾	25⅞
" 1st pref.	75¾	60½	74 –Feb. 5	62⅛–Apr. 13	67⅞	62⅝	64½
" 2d pref.	63¾	41½	64⅞–Feb. 5	44 –July 24	52	44	45
Evansville & Terre Haute	74⅝	50	72½–Jan. 8	39½–July 27	48	48	48
Express Adams	240	198	235 –Feb. 11	214 –Mar. 10	....	....	....
" American	265	210	235 –Feb. 5	171 –Aug. 10	185	180	180⅛
" United States	160	97	150¼–Feb. 4	95 –Aug. 8	104	100	100
" Wells, Fargo	251	185	249½–Feb. 6	191 –July 14	220	195	195
Great Northern, preferred	203	181½	209 –Jan. 22	165 –Aug. 8	170	170	170
Hocking Valley	106	66	106½–Feb. 20	63 –Sept. 25	69	63	66
" preferred	98⅜	81⅛	99¼–Mar. 2	79 –Aug. 11	80½	79⅛	79¾
Illinois Central	173½	137	151 –Jan. 10	125⅛–July 15	134	126¼	128
Iowa Central	51¾	37½	48 –Jan. 12	16 –July 27	21	17	19¼
" preferred	90⅜	65	77⅞–Jan. 12	31½–Aug. 6	37¾	32	33
Kansas City Southern	39	19	36¼–Jan. 12	17 –Sept. 28	22½	17	19
" preferred	63¾	44	61¼–Jan. 22	32½–Aug. 10	39⅝	33	34½
Kans. City Ft. S. & Mem. pref.	88	75	82¾–Feb. 26	63 –Sept. 29	69½	63	64½
Lake Erie & Western	71½	40	53 –Jan. 8	25 –Aug. 8	28	25	25
" preferred	138	120	118 –Feb. 6	94 –July 24	95	95	95
Long Island	91⅞	72½	83 –Jan. 7	56 –Sept. 30	57	56	56
Louisville & Nashville	159½	102⅛	130½–Jan. 8	95 –Sept. 28	106⅞	95	96¾
Manhattan consol	158	128	155½–Jan. 14	126¼–Sept. 28	137	126¼	128⅞
Metropolitan Street	174	133	142⅞ Jan. 6	99⅞–Sept. 29	116½	99⅞	101½
Mexican Central	31⅛	20⅝	29 –Mar. 23	10 –Sept. 28	14	10	10½
Minneapolis & St. Louis	115	105	110 –Jan. 9	49 –Aug. 10	60	49	52¾
" preferred	127¾	118½	118 –Feb. 27	85 –Aug. 5	....	....	....
Missouri, Kan. & Tex.	35¾	22½	30½–Jan. 5	16¼–Aug. 5	20¼	16¾	17½
" preferred	69¾	51	63½–Feb. 10	33½–Sept. 28	43	33½	35
Missouri Pacific	125½	96¾	115⅞–Feb. 10	85¾–Aug. 10	95	86	87½
N. Y. Cent. & Hudson River	168⅝	147	156 –Jan. 10	112⅝–July 15	123¼	113¾	114
N. Y., Chicago & St. Louis	57⅝	40	45 –Jan. 7	19½–Sept. 28	26	19½	21½
" 2d preferred	100	80	87 –Jan. 19	50 –Sept. 28	65	50	58¾
N. Y., Ontario & Western	37⅝	25¼	35¼–Feb. 5	19 –Sept. 28	23¾	19	20½

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	YEAR 1902.		HIGHEST AND LOWEST IN 1903.		SEPTEMBER, 1903.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Norfolk & Western	78⅛	55	76¼—Feb. 10	54⅛—Sept. 29	68⅞	54⅛	56⅛
• preferred	98	90	93⅛—Feb. 2	85 —Aug. 10	88⅛	88	88
North American Co.	134	88	124⅛—Jan. 7	68 —Sept. 28	78	68	71
Pacific Mail	49⅝	37	42¾—Jan. 7	17 —Aug. 6	22⅛	17¼	18
Pennsylvania R. R.	170	147	157⅝—Jan. 10	115⅛—Sept. 28	125¼	115⅛	116⅞
People's Gas & Coke of Chic.	109½	98¼	108⅜—Feb. 10	87¾—Sept. 28	95¼	87¾	90½
Pullman Palace Car Co.	250	215	235¾—Jan. 14	196 —July 15	218	205	208
Reading	78½	52¼	69¼—Jan. 2	41⅝—June 10	55½	43⅛	44⅝
• 1st prefered	90¼	79⅞	89⅞—Feb. 5	73 —Sept. 28	79	73	74
• 2d preferred	80⅞	60	81 —Jan. 6	60 —June 10	70	62	62
Rock Island	50⅛	32½	53⅝—Jan. 9	19½—Aug. 6	30	21¾	23⅛
• preferred	85½	71	86 —Jan. 9	55¾—Sept. 28	66⅝	55¾	57½
St. Louis & San Francisco	85⅛	53¾	90½—Feb. 24	56 —July 25	....	....	....
• 1st preferred	90	77	88 —Feb. 20	68 —Aug. 13	....	....	....
• 2d preferred	80⅜	65⅛	78 —Feb. 24	42½—Sept. 29	51	42½	45
St. Louis & Southwestern	39	24½	30 —Jan. 7	12 —Aug. 6	16½	12	13½
• preferred	80	55¼	66 —Jan. 7	24 —Aug. 10	37¼	28½	30½
Southern Pacific Co.	81¼	56	68¼—Mar. 19	38⅝—Sept. 28	46½	38⅝	40½
Southern Railway	41⅝	28	36⅞—Jan. 9	17⅛—Aug. 5	23¼	17¼	18¼
• preferred	98½	89¾	96 —Feb. 9	76 —Aug. 10	85½	77½	77½
Tennessee Coal & Iron Co.	74⅝	49½	68¾—Mar. 21	30⅛—Sept. 28	43	30⅛	31¾
Texas & Pacific	54¾	37	43⅝—Feb. 10	20¼—Aug. 10	27⅞	21¼	22½
Toledo, St. Louis & Western	33¼	18½	31⅞—Jan. 9	15 —Sept. 21	23¼	15	18
• preferred	49¾	35	48 —Jan. 8	24 —Sept. 29	29¾	24	24½
Union Pacific	113¼	93½	104⅝—Jan. 9	65½—Aug. 8	76¾	67½	69⅛
• preferred	95	86⅝	95¼—Feb. 11	83½—Aug. 10	86¾	83½	86
Wabash R. R.	38¾	21¾	32¾—Feb. 27	16¾—Sept. 28	22½	16¾	18
• preferred	54½	37	55¼—Feb. 24	27½—Sept. 28	36	27½	29¾
Western Union	97½	84¾	93 —Jan. 14	80¼—Sept. 28	84	80¼	81
Wheeling & Lake Erie	30¼	17	27½—Feb. 9	12 —July 24	18	13½	14½
• second preferred	42⅜	28	38½—Feb. 10	20 —Sept. 28	28	20	25
Wisconsin Central	31	19⅛	29¼—Feb. 9	15 —July 24	19⅝	15½	16
• preferred	57⅜	39½	55½—Feb. 6	34 —Sept. 28	40⅝	34	35½
"INDUSTRIAL"							
Amalgamated Copper	79	53	75⅝—Mar. 12	35¾—July 24	50	37⅝	39
American Car & Foundry	37⅝	28¼	41¾—Jan. 19	22⅝—Sept. 29	33	22⅝	24⅝
• pref.	93⅜	85¼	93 —Jan. 6	75 —Sept. 28	83	75	76
American Co. Oil Co.	57¾	30½	46¼—Feb. 20	25¼—Aug. 6	31	27½	27⅞
American Ice	31⅞	9½	11⅞—Jan. 31	5 —July 25	6⅝	5¼	5½
American Locomotive	36⅞	23½	31⅝—Feb. 17	14⅛—Sept. 29	19½	14⅛	15
• preferred	100¼	89	95¾—Feb. 17	79½—Aug. 6	88¼	82	83½
Am. Smelting & Refining Co.	49⅝	36⅞	52⅞—Feb. 17	37½—July 24	45⅛	39½	40½
• preferred	100⅛	87½	99½—Feb. 16	86¼—Sept. 30	90⅝	86¼	86¼
American Sugar Ref. Co.	135⅛	113	134⅝—Jan. 8	108 —Sept. 29	117½	108	109¾
Anaconda Copper Mining	146	80	125½—Feb. 25	64 —July 24	83	68	68
Continental Tobacco Co. pref.	126½	114	119 —Jan. 2	94¾—Aug. 6	104	97½	99½
Corn Products	38⅜	27	35 —Mar. 23	22½—Aug. 6	29	22½	25¼
• preferred	90	79⅝	85⅛—Jan. 19	74¾—Sept. 29	79½	74¾	75
Distillers securities	33	27	34¾—Jan. 6	20 —July 24	24¾	20½	22
General Electric Co.	334	170	204 —Feb. 16	136 —Sept. 28	164	136	143
International Paper Co.	23⅝	16½	19⅞—Jan. 5	9 —July 28	12¾	10¾	10¾
• preferred	77⅛	70	74¼—Feb. 6	60¼—July 27	68	60½	62
International Power	199	49	73 —Jan. 19	30 —Sept. 24	38	30	30
National Biscuit	53¼	40	47⅝—Feb. 17	33½—Aug. 10	40	34¾	35½
National Lead Co.	32	15⅝	29½—Feb. 5	11⅞—July 27	15	12½	12¾
Pressed Steel Car Co.	63½	39	65¾—Jan. 26	29¾—Sept. 28	42¼	29¾	32
• preferred	96½	82¾	95 —Feb. 20	74¾—Sept. 28	80	74¾	75½
Republic Iron & Steel Co.	24¾	15⅝	22⅝—Feb. 18	9 —Sept. 21	11½	9	9½
• preferred	83⅜	68	80⅜—Feb. 18	59 —Aug. 6	67	59⅝	60⅜
Rubber Goods Mfg. Co.	25⅝	17¼	30 —Feb. 16	12 —July 25	19¼	14½	14½
• preferred	74	63	84½—Feb. 17	60 —July 25	72	66	66
U. S. Leather Co.	15¼	10½	15¼—Feb. 11	6 —Sept. 28	8⅛	6	7
• preferred	91¼	79⅞	96¾—May 12	74 —Aug. 11	82½	75	77
U. S. Realty & Con.	32	20	28½—Jan. 2	5¾—Sept. 16	7½	5¾	6⅛
U. S. Rubber Co.	19⅝	14	19½—Feb. 10	7 —July 27	13	10	10
• preferred	64	49½	58 —Feb. 10	30¼—July 27	43	35	38
U. S. Steel	46¾	29¾	39⅞—Feb. 5	14⅞—Sept. 29	29⅝	14⅞	15⅞
• pref.	97¾	79	89¾—Jan. 7	58¾—Sept. 29	71¾	58¾	60⅝

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

LAST SALE, PRICE AND DATE AND HIGHEST AND LOWEST PRICES AND TOTAL SALES FOR THE MONTH.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE.		SEPTEMBER SALES.		
			Price.	*Date.*	*High.*	*Low.*	*Total.*
Ann Arbor 1st g 4's...............1995	7,000,000	Q J	98	Sept.26,'03	98½	98	3,000
Atch., Top. & S. F.							
Atch Top & Santa Fe gen g 4's.1995	138,155,000	A & O	99⅝	Sept.30,'03	100	99⅛	932,500
" registered..................	....	A & O	97¼	Sept.30,'03	97¼	97¼	10,000
" adjustment, g. 4's.....1995	25,616,000	NOV	89⅝	Sept.30,'03	90¾	89⅝	78,000
" registered..................	... .	NOV	75	July 25,'03	....	....	....
" stamped...............1995	26,112,000	M & N	86	Sept.30,'03	87⅝	86	78,000
" serial debenture 4's—							
" series B...............1904	2,500,000	F & A	....	....	....	....	....
" registered..................	....	F & A	....	....	....	....	....
" series C...............1905	2,500,000	F & A	....	....	....	....	....
" registered..................	....	F & A	....	....	....	....	....
" series D...............1906	2,500,000	F & A	....	....	....	....	....
" registered..................	....	F & A	....	....	....	....	....
" series E...............1907	2,500,000	F & A	....	....	....	....	....
" registered..................	....	F & A	....	....	....	....	....
" series F...............1908	2,500,000	F & A	....	....	....	....	....
" registered..................	....	F & A	....	....	....	....	....
" series G...............1909	2,500,000	F & A	....	....	....	....	....
" registered..................	....	F & A	....	....	....	....	....
" series H...............1910	2,500,000	F & A	....	....	....	....	....
" registered..................	....	F & A	....	....	....	....	....
" series I...............1911	2,500,000	F & A	....	....	....	....	....
" registered..................	....	F & A	....	....	....	....	....
" series J...............1912	2,500,000	F & A	....	....	....	....	....
" registered..................	....	F & A	....	....	....	....	....
" series K...............1913	2,500,000	F & A	....	....	....	....	....
" registered..................	....	F & A	....	....	....	....	....
" series L...............1914	2,500,000	F & A	92⅞	Nov.10,'02	....	....	....
" registered..................	....	F & A	....	....	....	....	....
" East.Okla.div.1stg.4's.1928	4,520,000	M & S	....	....	....	....	....
" " registered......	....	M & S	....	....	....	....	....
" Chic. & St. L. 1st 6's...1915	1,500,000	M & S	....	....	....	....	....
Atl. Knox. & Nor. Ry. 1st g. 5s..1946	1,000,000	J & D	114½	Oct. 8,'02	....	....	....
Atlan.Coast LineR.R.Co.1stg.4's.1952	30,981,000	M & S	89¾	Sept.29,'03	90⅞	89½	194,000
" registered..................		M & S	....	....	....	....	....
Balt. & Ohio prior lien g. 3½s..1925	69,798,000	J & J	92½	Sept.30,'03	93	92	362,000
" registered..............		J & J	94½	Jan. 12,'03	....	....	....
" g. 4s..................1948	65,963,000	A & O	101¼	Sept.30,'03	102¼	99⅞	209,000
" g. 4s. registered...........		A & O	98¼	Sept.16,'03	98¼	98¼	5,000
" ten year c. deb. g. 4's..1911	592,000	M & S	98	Sept.16,'03	100	98	2,000
Pitt Jun. & M. div. 1st g. 3½s. 1925	11,293,000	M & N	88	Aug.31,'03	....	....	....
" registered...............		QFeb	....	....	....	....	....
Pitt L. E. & West Va. System refunding g 4s... 1941	20,000,000	M & N	94	Sept.26,'03	95⅝	94	24,000
" Southw'n div. 1st g.3½s.1925	41,990,000	J & J	87½	Sept.30,'03	88¾	87½	191,500
" registered..................		Q J	90¼	July 16,'01	....	....	....
Monongahela River 1st g. g., 5's 1919	700,000	F & A	114¼	June27,'02	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s, 1930	1,018,000	M & S	112	Nov.14,'99	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's...1937	4,427,000	M & S	112½	Sept.21,'03	112½	112	12,000
Allegbany & Wn. 1st g. gtd 4's.1998	2,000,000	A & O	....	....	....	....	....
Clearfield & Mah. 1st g. g. 5's....1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's..1921	1,300,000	F & A	124¼	June22,'03	....	....	....
" cons. 1st 6's, ...1922	3,920,000	J & D	125⅝	Jan. 24,'03	....	....	....
Buff. & Susq. 1st refundg g. 4's..1951	3,309,000	J & J	103	June16,'02	....	....	....
" registered......		J & J	....	....	....	....	....
Burlington, Cedar R. & N. 1st 5's, 1906	6,500,000	J & D	101½	Aug.17,'03	....	....	....
" con. 1st & col. tst 5's.1934	11,000,000	A & O	120¼	May 8,'03	...	....	....
" registered................		A & O	120½	Mar. 16,'03	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's.1921	1,905,000	A & O	118	Jan. 27,'02	....	....	....
Minneap's & St. Louis 1st 7's, g, 1927	150,000	J & D	40	Aug.21,'95	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. *Principal Due*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	SEPTEMBER SALES *High.*	SEPTEMBER SALES *Low.*	SEPTEMBER SALES *Total.*
Canada Southern 1st int. gtd 5's, 1908	14,000,000	J & J	103⅛	Sept.30,'03	103⅛	102⅞	84,000
• 2d mortg. 5's, ...1913	6,000,000	M & S	105	Sept.30,'03	105½	104⅛	22,000
• registered..................		M & S	107	Aug.14,'03	....	....	....
Central Branch U. Pac. 1st g. 4's.1948	2,500,000	J & D	92	June 4,'03	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's, 1987	4,880,000	M & N	104⅛	July 7,'03	....	....	....
Central R'y of Georgia, 1st g. 5's.1945	7,000,000	F & A	122⅛	Jan. 5,'03	....	....	....
• registered $1,000 & $5,000		F & A	....		....	....	....
• con. g. 5's...............1945	16,700,600	M & N	104⅛	Sept.30,'03	105⅛	104⅛	157,000
• con. g. 5's, reg. $1,000 & $5,000		M & N	105½	Sept.18,'01	....	....	....
• 1st. pref. inc. g. 5's......1945	4,000,000	OCT 1	70	Sept.30,'03	76	68	76,000
• 2d pref. inc. g. 5's.......1945	7,000,000	OCT 1	26	Sept.30,'03	29⅛	23	95,000
• 3d pref. inc. g. 5's.......1945	4,000,000	OCT 1	19½	Aug.28,'03	....	....	....
• Chat. div. pur. my. g. 4's.1951	1,840,000	J & D	92	Aug.21,'02	....	....	....
• Macon & Nor. Div. 1st g. 5's...................1946	840,000	J & J	108¼	Sept. 3,'02	....	....	....
• Mid. Ga. & Atl. div. g 5s.1947	413,000	J & J	102	June29,'99	....	....	....
• Mobile div. 1st g. 5's....1946	1,000,000	J & J	103	July 2,'03	....	....	....
Central of New Jersey, gen. g. 5's.................1987	45,091,000	J & J	128	Sept.21,'03	128¼	128	7,000
• registered...............		Q J	125¾	Sept.28,'03	125¾	125¾	5,000
Am. Dock & Improvm't Co. 5's, 1921	4,987,000	J & J	109	Aug.19,'03	....	....	....
Lehigh & H. R. gen. gtd g. 5's..1920	1,062,000	J & J	....		....	....	....
Lehigh & W.-B. Coal con. 5's...1912	2,691,000	Q M	100⅛	Aug. 7,'03	....	....	....
• con. extended gtd. 4½'s.1910	12,175,000	Q M	101⅝	Aug.14,'03	....	....	....
N.Y. & Long Branch gen. g. 4's.1941	1,500,000	M & S	....		....	....	....
Charleston & Sav. 1st g. 7's.......1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
Ches. & Ohio 6's, g., Series A......1908	2,000,000	A & O	110⅛	July 22,'03	....	....	....
• Mortgage gold 6's......1911	2,000,000	A & O	110⅛	Aug.14,'03	....	....	....
• 1st con. g. 5's............1939	25,858,000	M & N	114⅝	Sept.30,'03	115¾	114⅛	37,000
• registered..................		M & N	115⅛	Sept.11,'03	115⅛	115⅛	5,000
• Gen. m. g. 4½'s..........1992	35,078,000	M & S	101¼	Sept.30,'03	102⅞	100¾	283,000
• registered..................		M & S	103	Apr.18,'01	....	....	....
• Craig Val. 1st g. 5's.....1940	650,000	J & J	112	May 14,'03	....	....	....
• (R. & A. d.) 1st c. g. 4's, 1989	6,000,000	J & J	98¼	Sept.30,'03	99⅝	97¼	10,000
• 2d con. g. 4's............1989	1,000,000	J & J	97½	June22,'03	....	....	....
• Warm S. Val. 1st g. 5's, 1941	400,000	M & S	106⅛	Oct. 29,'02	....	....	....
Greenbrier Ry. 1st gtd. 4's.....1940	2,000,000	M & N	....		....	....	....
Chic. & Alton R. R. ref. g. 3's.... 1949	29,696,000	A & O	81¼	Sept.25,'03	81⅝	81	58,000
• • registered.....		A & O	....		....	....	....
Chic. & Alton Ry 1st lien g. 3½'s.1950	22,000,000	J & J	72⅛	Sept.29,'03	73⅛	72⅛	26,000
• registered................		J & J	83¾	Apr. 16,'02	....	....	....
Chicago, Burl. & Quincy:							
• Chic. & Iowa div. 5's....1905	2,320,000	F & A	104¾	Apr.11,'19	....	....	....
• Denver div. 4's..........1922	5,077,000	F & A	98¾	Sept.22,'03	98¾	98⅛	11,000
• Illinois div. 3½s........1949	41,000,000	J & J	91⅝	Sept.29,'03	91⅝	91¼	123,000
• registered..................		J & J	....		....	....	....
• (Iowa div.) sink. f'd 5's, 1919	2,505,000	A & O	109⅛	Aug.24,'03	....	....	....
• 4's.........................1919	8,222,000	A & O	101	Aug.17,'03	....	....	....
• Nebraska extensi'n 4's, 1927	25,627,000	M & N	105⅛	Sept.25,'03	105⅛	104⅛	29,000
• registered..................		M & N	112¾	Apr. 17,'01	....	....	....
• Southwestern div. 4's..1921	2,750,000	M & S	100	July 20,'03	....	....	....
• 4's joint bonds..........1921	215,195,000	J & J	90⅛	Sept 30,'03	93¾	90	1,024,000
• • registered		Q JAN	89½	Aug.18,'03	....	....	....
• 5's, debentures..........1913	9,000,000	M & N	107	Sept.15,'03	107	107	2,000
Han. & St. Jos. con. 6's.......1911	8,000,000	M & S	114	July 10,'03	....	....	....
Chicago & E. Ill. 1st s. f'd c'y. 6's.1907	2,989,000	J & D	106⅝	Sept.30,'03	106⅝	106⅝	3,000
• small bonds..............		J & D	112	Apr. 2,'96	....	....	....
• 1st con. 6's, gold......1934	2,653,000	A & O	127	Sept.30,'03	131	127	4,000
• gen. con. 1st 5's.......1937	14,020,000	M & N	113⅛	Sept.30,'03	114⅛	113⅛	63,000
• registered.................		M & N	119½	Apr. 13,'03	....	....	....
Chicago & Ind. Coal 1st 5's 1936	4,626,000	J & J	111	Sept.28,'03	112	111	7,000
Chicago, Indianapolis & Louisville.							
• refunding g. 6's...........1947	4,700,000	J & J	124⅝	Sept.30,'03	124⅝	124⅝	5,000
• ref. g. 5's.................1947	4,142,000	J & J	108	July 24,'03	....	....	....
Louisv. N. Alb. & Chic. 1st 6's..1910	3,000,000	J & J	109	Sept.28,'03	109	108¼	11,000

BOND QUOTATIONS.—Last sale, price and date; highes and lowest prices and total sales for the month.

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NAME. Principal Due.	Amount.	Int'st paid.	LAST SALE. Price.	Date	SEPTEMBER SALES. High.	Low.	Total.
Chicago, Milwaukee & St. Paul.							
Chicago Mil. & St. Paul con. 7's, 1905	1,860,000	J & J	165	Sept.26,'03	165	165	4,000
" terminal g. 5's.........1914	4,748,000	J & J	110⅛	June22,'03	....	....	....
" gen. g. 4's, series A....1989	23,676,000	J & J	104½	Sept.26,'03	105	104½	21,000
" registered....................	....	Q J	111	Dec. 8,'02	....	....	....
" gen. g. 3½'s, series B.1989	2,500,000	J & J	104¾	Jan. 29,'02	....	....	....
" registered....................		J & J	....		....	....	....
" Chic. & Lake Sup. 5's, 1921	1,360,000	J & J	116½	Apr. 29,'03	....	....	....
" Chic. & M. R. div. 5's, 1926	3,083,000	J & J	113¾	Aug. 7,'03	....	....	....
" Chic. & Pac. div. 6's, 1910	3,000,000	J & J	111½	Sept.17,'03	111½	111½	1,000
" 1st Chic. & P. W. g. 5's.1921	25,340,000	J & J	114	Sept.29,'03	114	113½	14,000
" Dakota & Gt. S. g. 5's.1916	2,856,000	J & J	109	Aug.11,'03	....	....	....
" Far. & So. g. 6's assu...1924	1,250,000	J & J	137½	July 18,'98	....	....	....
" 1st H'st & Dk. div. 7's, 1910	5,680,000	J & J	116	Aug. 6,'03	....	....	....
" 1st 5's......................1910	990,000	J & J	107⅝	Aug.28,'02	....	....	....
" 1st 7's, Iowa & D, ex, 1908	1,059,000	J & J	183	Feb. 28,'03	....	....	....
" 1st 5's, La. C. & Dav...1919	2,500,000	J & J	112¾	Sept.25,'03	112¾	112¾	1,000
" Mineral Point div. 5's, 1910	2,840,000	J & J	105¼	July 29,'03	....	....	....
" 1st So. Min. div. 6's....1910	7,432,000	J & J	112¾	Sept.30,'03	112¾	111	17,000
" 1st 6's, Southw'n div., 1909	4,000,000	J & J	109⅞	Aug.20,'03	....	....	....
" Wis. & Min. div. g. 5's.1921	4,755,000	J & J	113⅛	Sept. 8,'03	113⅛	113⅛	5,000
" Mil. & N. 1st M. L. 6's.1910	2,155,000	J & D	113	May 20,'02	....	....	....
" 1st con. 6's..............1913	5,092,000	J & D	116	July 20,'03	....	....	....
Chic. & Northwestern con. 7's...1915	12,832,000	Q F	131	Sept.23,'03	131	131	8,000
" extension 4's.....1886-1926	18,632,000	F A 15	104½	May 15,'03	....	....	....
" registered....................		F A 15	106⅜	Oct. 9,'02	....	....	....
" gen. g. 3½'s...........1987	20,538,000	M & N	95½	Sept.30,'03	96	95½	21,000
" registered....................		Q F	103	Nov.19,'98	....	....	....
" sinking fund 6's..1879-1929	5,753,000	A & O	112	May 12,'03	....	....	....
" registered....................		A & O	110⅛	May 4,'03	....	....	....
" sinking fund 5s'..1879-1929	6,837,000	A & O	108	Aug.19,'03	....	....	....
" registered....................		A & O	106¾	Mar.30,'03	....	....	....
" deben. 5's..............1909	5,900,000	M & N	105¼	Sept.26,'03	105¼	104⅛	10,000
" registered....................		M & N	104	Sept. 8,'03	104	104	1,000
" deben. 5's..............1921	10,000,000	A & O	108¼	Sept.28,'03	108¼	108	14,000
" registered....................		A & O	114	Oct. 23,'01	....	....	....
" sinking f'd deben. 5's.1933	9,800,000	M & N	114½	Aug.11,'03	....	....	....
" registered....................		M & N	123	May 28,'01	....	....	....
Des Moines & Minn. 1st 7's.....1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's...1905	1,600,000	M & S	106	Nov. 5,'02	....	....	....
Northern Illinois 1st 5's.........1910	1,500,000	M & S	108	Oct. 9,'02	....	....	....
Ottumwa C. F. & St. P. 1st 5's..1909	1,600,000	M & S	105⅝	May 2,'03	....	....	....
Winona & St. Peters 2d 7's.....1907	1,592,000	M & N	111⅝	Aug. 5,'03	....	....	....
Mil., L. Shore & We'n 1st g. 6's.1921	5,000,000	M & N	128⅛	Sept.22,'03	128⅛	128	6,000
" ext. & impt. s.f'd g. 5's1929	4,148,000	F & A	115	Aug.19,'03	....	....	....
" Ashland div. 1st g. 6's 1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
" Michigan div. 1st g. 6's.1924	1,281,000	J & J	128⅝	Aug.21,'03	....	....	....
" con. deb. 5's...........1907	436,000	F & A	107½	Feb. 21,'01	....	....	....
" incomes..................1911	500,000	M & N	109	Sept. 9,'02	109	109	1,000
Chic., Rock Is. & Pac. 6's coup...1917	12,500,000	J & J	121⅝	Aug.24,'03	....	....	....
" registered..............1917		J & J	120½	July 24,'03	....	....	....
" gen. g. 4's.............1988	60,581,000	J & J	99¾	Sept.30,'03	100¼	99	383,000
" registered....................		J & J	107	Jan. 16,'03	....	....	....
" coll. trust serial 4's........							
" series B..................1904	1,473,000	M & N	98	Aug.18,'03	....	....	....
" C..........................1905	1,473,000	M & N	100⅜	July 2,'02	....	....	....
" D..........................1906	1,473,000	M & N	....		....	....	....
" E..........................1907	1,473,000	M & N	....		....	....	....
" F..........................1908	1,473,000	M & N	....		....	....	....
" G..........................1909	1,473,000	M & N	....		....	....	....
" H..........................1910	1,473,000	M & N	99⅝	June3,'02	....	....	....
" I..........................1911	1,473,000	M & N	....		....	....	....
" J..........................1912	1,473,000	M & N	....		....	....	....
" K..........................1913	1,473,000	M & N	....		....	....	....
" L..........................1914	1,473,000	M & N	....		....	....	....
" M..........................1915	1,473,000	M & N	99¼	July 10,'02	....	....	....
" N..........................1916	1,473,000	M & N	99⅜	June 28,'20	....	....	....
" O..........................1917	1,473,000	M & N	....		....	....	....
" P..........................1918	1,473,000	M & N	87	Aug. 7,'03	....	....	....
Chic. Rock Is. & Pac. R.R. 4's..2002	69,557,000	M & N	69¾	Sept.30,'03	74⅛	68⅝	1,169
" registered....................		M & N	88¼	Jan. 7,'03	....	....	....
" coll. trust g. 5's.......1913	16,918,000	M & S	72¾	Sept.30,'03	76	71¾	818,000
Des Moines & Ft. Dodge 1st 4's.1905	1,200,000	J & J	97	May 18,'03	....	....	....
" 1st 2½'s.................1905	1,200,000	J & J	93	Jan. 28,'03	....	....	....
" extension 4 s.............	672,000	J & J	94¾	Jan. 9, 80	....	....	....
Keokuk & Des M. 1st mor. 5's..1923	2,750,000	A & O	105½	July 24,'03	....	....	....
" small bond..............1923	....	A & O	107	Oct. 1,'01	....	....	....

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Chic., St.P., Minn.& Oma.con.6's	1930	14,612,000	J & D	129⅛	Sept. 22,'03	129⅛	128⅛	10,600
• con.6's reduced to 3½'s	1930	2,000,000	J & D	....	....	....	....	....
Chic., St. Paul & Minn. 1st 6's	1918	1,901,000	M & N	131¼	May 28,'03	....	....	....
North Wisconsin 1st mort. 6's	1930	700,000	J & J	126⅛	Sept.23,'03	126	126	1,000
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	123⅝	Sept.25,'03	123⅝	123⅝	10,000
Chic., Term. Trans. R. R. g. 4's	1947	13,635,000	J & J	75¾	Sept.28,'3	73½	73	35,000
Chic. & Wn. Ind. gen'l g. 6's	1932	9,710,000	Q M	111½	Sept.11,'03	111½	111½	4,000
Chic. & West Michigan R'y 5's	1921	5,753,000	J & D	109	Apr. 28,'02	....	....	....
Choc., Oklahoma & Glf.gen.g. 5s	1919	5,500,000	J & J	109	Mar. 10,'03	....	....	....
• con. g. 5's	1952	5,411,000	M & N	....	....	....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's	1905	927,000	A & O	111½	Dec. 9,'01	....	....	....
• 2d g. 4½'s	1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's	1941	3,500,000	M & N	111¼	Sept.21,'03	112	111¼	9,000
Clev., Cin., Chic. & St.L. gen.g. 4's	1993	17,657,000	J & D	96	Sept.30,'03	96	95⅝	117,000
• do Cairo div. 1st g. 4's	1939	5,000,000	J & J	101½	Oct. 8,'02	....	....	....
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	95¾	Sept.16,'03	95¾	95½	5,000
St. Louis div. 1st col. trust g.4's	1990	9,750,000	M & N	99	Sept.25,'03	99	99	8,000
• registered				103	Oct. 10,'02	....	....	....
Sp'gfield & Col. div. 1st g. 4's	1940	1,035,000	M & S	102	Dec. 9,'02	....	....	....
White W. Val. div. 1st g. 4's	1940	650,000	J & J	94½	Aug.31,'03	....	....	....
Cin., Ind., St. L. & Chic. 1st g.4's	1936	7,685,000	Q F	97¾	Sept.28,'03	97¾	97¾	1,000
• registered				95	Nov. 15,'94	....	....	....
• con. 6's	1920	668,000	M & N	107½	June 30,'93	....	....	....
Cin., S'dusky & Clev. con. 1st g.5's	1928	2,571,000	J & J	111⅝	Sept.18,'03	111⅝	111⅝	2,000
Clev., C., C. & Ind. con. 7's	1914	3,991,000	J & D	120	July 28,'02	....	....	....
• sink. fund 7's	1914		J & D	119⅝	Nov. 19,'89	....	....	....
• gen. consol 6's	1934	3,205,000	J & J	127½	Aug.21,'03	....	....	....
• registered			J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's	1940	981,500	A & O	104½	Nov.19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	95¾	Sept.29,'03	95¾	95	8,000
• income 4's	1990	4,000,000	A	60⅛	Sept.23,'03	63	60⅛	35,000
Clev., Lorain & Wheel'g con. 1st 5's	1933	5,000,000	A & O	110¼	Sept.11,'03	110¼	110¼	1,000
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	127½	Jan. 25,'03	....	....	....
• registered			Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's	1947	8,946,000	J & J	67	Sept.23,'03	67	67	31,000
Colorado & Southern 1st g. 4's	1929	18,650,000	F & A	83½	Sept.30,'03	84	82¾	76,000
Conn., Passumpsic Riv's 1st g. 4's	1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's	1907	3,067,000	M & S	114	July 7,'03	....	....	....
Morris & Essex 1st m 7's	1914	5,000,000	M & N	130½	July 24,'03	....	....	....
• 1st c. gtd 7's	1915	11,677,000	J & D	130¾	Aug. 7,'03	....	....	....
• registered			J & D	140	Oct. 26,'98	....	....	....
• 1st refund.gtd.g.3½'s	2000	7,030,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	127¼	Sept.22,'03	127¼	127¼	1,000
• const. 5's	1923	5,000,000	F & A	109⅞	Sept.23,'03	109⅞	109⅞	1,000
• terml. imp. 4's	1923	5,000,000	M & N	101¾	Sept.29,'03	101¾	101¾	1,000
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	109¾	June 30,'03	....	....	....
Warren Rd. 1st rfdg.gtd g.3½'s	2000	905,000	F & A	102	Feb. 2,'03	....	....	....
Delaware & Hudson Canal.								
• 1st Penn. Div. c. 7's	1917	5,000,000	M & S	136½	July 29,'03	....	....	....
• reg	1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	109	July 27,'03	....	....	....
• registered			A & O	122	June 6,'99	....	....	....
• 6's	1906	7,000,000	A & O	105¼	June 10,'03	....	....	....
• registered			A & O	109½	Nov. 16,'01	....	....	....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	143¾	Nov.10,'02	....	....	....
• 1st r 7's	1921		M & N	147¾	June 18,'03	....	....	....
Denver & Rio G. 1st con. g. 4's	1936	33,450,000	J & J	98⅝	Sept.30,'03	99¼	98½	122,500
• con. g. 4½'s	1936	6,382,000	J & J	106⅝	May 22,'03	....	....	....
• impt. m. g. 5's	1928	8,103,500	J & D	102	Sept.25,'03	102	102	500
Denv. & Southern Ry g.s. fg. 5's	1929	4,923,000	J & D	60	Aug.18,'03	....	....	....
Des Moines Union Ry 1st g. 5's	1917	623,000	M & N	111	Feb. 28,'03	....	....	....
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	100½	July 22,'03	....	....	....
• g. 4s	1995	1,250,000	J & D	91	July 17,'03	....	....	....
Detroit Southern 1st g. 4's	1951	2,866,000	J & D	75½	Aug.25,'03	....	....	....
• Ohio South. div. 1st g.4's	1941	4,281,000	M & S	83	Sept. 2,'03	83	83	6,000
Duluth & Iron Range 1st 5's	1937	6,734,000	A & O	109	Sept.15,'03	109	109	2,000
• registered			A & O	101½	July 23,'89	....	....	....
• 2d l m 6s	1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's	1937	4,000,000	J & J	115	June 16,'03	....	....	....
Elgin Joliet & Eastern 1st g 5's	1941	3,500,000	M & N	113½	Sept.22,'03	113½	113½	4,000

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NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE Price.	LAST SALE Date.	SEPTEMBER SALES. High.	SEPTEMBER SALES. Low.	SEPTEMBER SALES. Total.
Erie 1st ext. g. 4's	1947	2,482,000	M & N	114	May 25,'03	....	....	....
" 2d extended g. 5's	1919	2,149,000	M & S	113¼	May 2,'03	....	....	....
" 3d extended g. 4½'s	1923	4,618,000	M & S	112	Aug.15,'03	....	....	....
" 4th extended g. 5's	1920	2,926,000	A & O	117	Dec. 19,'02	....	....	....
" 5th extended g. 4's	1928	709,500	J & D	101⅜	June26,'03	....	....	....
" 1st cons gold 7's	1920	16,390,000	M & S	134	July 13,'03	....	....	....
" 1st cons. fund g. 7's	1920	3,699,500	M & S	130	Aug. 7,'03	....	....	....
Erie R.R. 1st con. g-4s prior bds.	1996	34,000,000	J&J	96⅞	Sept.28,'03	96⅞	96½	138,000
" registered			J&J	97	May 15,'03	....	....	....
" 1st con. gen. lien g. 4s.	1996	34,385,000	J&J	81¾	Sept.30,'03	83⅛	81½	449,000
" registered			J&J	....	....	....	....	....
" Penn. col. trust g. 4's.	1951	32,000,000	F & A	89⅛	Sept.29,'03	89¾	89	41,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	125⅛	June17,'03	....	...	....
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	....	....	....	....	....
" small			J&J	....	....	....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	117¼	Sept.29,'03	119	117¼	14,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	106	Aug. 5,'02	....	....	....
Long Dock consol. g. 6's	1935	7,500,000	A & O	134½	June30,'03	....	....	....
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	113¾	Dec. 17,'02	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	112⅛	Sept.17,'03	112⅛	112⅛	2,000
N. Y. & Greenw'd Lake gt g 5's.	1946	1,453,000	M&N	109	Oct. 27,'98	....	....	....
" small						....	....	....
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	110	Aug.28,'03	....	....	....
N.Y., Sus.&W. 1st refdg. g. 5's	1937	3,750,000	J & J	108	Aug.27,'03	....	....	....
" 2d g. 4½'s	1937	453,000	F & A	100¾	Sept.30,'03	100¾	100¾	1,000
" gen. g. 5's	1940	2,546,000	F & A	100	Sept.16,'03	100	99½	12,000
" term. 1st g. 5's	1943	2,000,000	M & N	108	May 1,'03	....	....	....
" registered......$5,000 each			M & N	....	....	....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	107⅛	July 9,'03	....	....	....
Evans. & Terre Haute 1st con. 6's	1921	3,000,000	J & J	116	Sept.18,'03	116	116	1,000
" 1st General g 5's	1942	2,223,000	A & O	104	June22,'03	....	....	....
" Mount Vernon 1st 6's	1923	375,000	A & O	112	June 2,'02	....	....	....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sept.15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	115	May 28,'02	....	....	....
Florida Cen. & Penins. 1st g 5's	1918	3,000,000	J & J	100	Sept. 6,'99	....	....	....
" 1st land grant ex. g 5's	1930	423,000	J & J	....	....	....	....	....
" 1st con. g 5's	1943	4,370,000	J & J	106⅛	Feb. 26,'02	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s.	1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	3,176,000	......	108	Sept.30,'03	108⅛	101⅛	23,000
Ft. Worth & Rio Grande 1st g 5's.	1928	2,863,000	J & J	80	Aug.21,'03	....	....	....
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	103	Apr. 30,'03	....	....	....
Geo. & Ala. 1st con. g 5s	1945	2,922,000	J & J	106¼	Aug.21,'03	....	....	....
Ga. Car. & N. Ry. 1st gtd. g. 5's	1927	5,360,000	J & J	107	July 28,'03	....	....	....
Gulf & Ship Isl. 1st refg. & ter. 5's	1952	4,591,000	J & J	102⅝	Sept.18,'03	102⅞	102⅝	18,000
" registered			J & J	....	....	....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	12,157,000	J & J	104	Sept.29,'03	105	104	37,000
" registered			J & J	....	....	....	....	....
Col. Hock's Val. 1st ext. g. 4's.	1948	1,401,000	A & O	100	June20,'03	....	....	....
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	112¼	May 28,'03	....	....	....
" registered			J&J	113⅛	Mar. 12,19'	....	....	....
" 1st gold 3½'s	1951	2,499,000	J&J	102	May 21,'03	....	....	....
" registered			J&J	94	Mar. 28,'03	....	....	....
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92⅛	July 13,'96	....	....	....
" registered			M & S	....	....	....	....	....
" total outstg....$13,950,000						....	....	....
" collat. trust gold 4's	1952	15,000,000	A & O	104	July 31,'03	....	....	....
" regist'd			A & O	102	Oct. 4,'01	....	....	....
" col. t. g. 4s L. N. O. & Tex.	1953	24,679,000	M & N	104⅛	Sept.16,'03	104⅛	104⅛	1,000
" registered			M & N	104⅝	May 20,'02	....	....	....
" Cairo Bridge g 4's	1950	3,000,000	J & D	106⅛	Mar. 7,'03	....	....	....
" registered			J & D	123	May 24,'99	....	....	....
" Louisville div. g. 3½'s.	1953	14,320,000	J & J	99	Aug.24,'03	....	....	....
" registered			J & J	88⅛	Dec. 8,'99	....	....	....
" Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
" St. Louis div. g. 3's	1951	4,939,000	J & J	85¾	Aug.14,'02	....	....	....
" registered			J & J	101¼	Jan. 31,'19	....	....	....
" g. 3½'s	1951	6,321,000	J & J	94	Sept. 3,'03	94	94	2,000
" registered			J & J	101⅛	Sept. 10,'95	....	....	....
" Sp'gfield div 1st g 3½'s,	1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
" registered			J & J	124	Dec. 11,'99	....	....	....
" West'n Line 1st g. 4's,	1951	5,425,000	F & A	103⅛	Sept.26,'03	103⅛	106⅛	2,000
" registered			F & A	101⅛	Jan.31,'91	....	....	....
Belleville & Carodt 1st 6's	1923	470,000	J & D	124	May 16,'03	....	....	....

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Carbond'e & Shawt'n 1st g. 4's,	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's....	1951	16,555,000	J D 15	118	Sept. 1,'03	118	118	5,000
" gold 5's, registered........			J D 15	126¼	Nov. 18,'01	....	....	....
" g. 3½'s................	1951	1,352,000	J D 15	104⅝	Apr. 11,'02	....	....	....
" registered................			J D 15	106¼	Aug. 17,'99	....	....	....
" Memph. div. 1st g. 4's,	1951	3,500,000	J & D	106⅛	Jan. 28,'03	....	....	....
" registered................			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's,	1931	538,000	M & S	101	Mar. 3,'02	....	....	....
Ind., Dec. & West. 1st g. 5's......	1935	1,824,000	J & J	107½	Sept. 11,'03	107½	107½	5,000
" 1st gtd. g. 5's............	1935	933,000	J & J	107½	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's..	1950	4,850,000	J & J	97	Sept. 29,'03	97	97	7,000
Internat. & Gt. N'n 1st. 6's, gold.	1919	10,742,000	M & N	119¼	Sept. 29,'03	120⅝	119	55,000
" 2d g. 5's..................	1909	9,842,000	M & S	96	Sept. 25,'03	97½	94¼	112,000
" 3d g. 4's..................	1921	2,730,000	M & S	74¼	Feb. 20,'03	....	....	....
Iowa Central 1st gold 5's.........	1938	7,650,000	J & D	109	Sept. 29,'03	109⅝	109	19,000
" refunding g. 4's ...	1951	2,000,000	M & S	92	Aug. 25,'03	....	....	....
Kansas C. & M. R. & B. Co. 1st gtd g. 5's........................	1929	3,000,000	A & O	....		....	....	....
Kansas City Southern 1st g. 3's..	1950	30,000,000	A & O	67	Sept. 25,'03	67⅜	66½	42,000
" registered....................			A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's...	1937	7,250,000	J & J	116	Aug. 20,'03	....	....	....
" 2d mtge. g. 5's..........	1941	3,625,000	J & J	111	Sept. 29,'03	111	109½	9,000
Northern Ohio 1st gtd g 5's...	1945	2,500,000	A & O	111	June 29,'03	....	....	....
Lehigh Val. (Pa.) coll. g. 5's.....	1997	8,000,000	M & N	110	Feb. 3,'02	....	....	....
" registered..................			M & N	....		....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s.	1940	15,000,000	J&J	104½	Sept. 17,'03	104½	104	17,000
" registered..................		....	J&J	109⅛	June 18,'02	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.	1941	10,000,000	A & O	113⅝	June 1,'03	....	....	....
" registered..................			A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's.	1933	10,280,000	J & J	104½	Sept. 19,'03	104½	104½	1,000
" registered..............	1933		J & J	....		....	....	....
Lehigh & N. Y., 1st gtd g. 4's.....	1945	2,000,000	M&S	95	June 17,'03	....	....	....
" registered..................			M&S	....		....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....		....	....	....
" " g. gtd 5's.......	1914	1,250,000	A & O	100	Mar. 25,'99	....	....	....
Long Island 1st cons. 5's..........	1931	3,610,000	Q J	113½	Aug. 25,'03	....	....	....
" 1st con. g. 4's...........	1931	1,121,000	Q J	101	Nov. 22,'99	....	....	....
Long Island gen. m. 4's.........	1938	3,000,000	J & D	100	Sept. 25,'03	100	100	3,000
" Ferry 1st g. 4½'s......	1922	1,500,000	M & S	100½	June 12,'03	....	....	....
" g. 4's..................	1932	325,000	J & D	102½	May 5,'97	....	....	....
" unified g. 4's...........	1949	6,860,000	M & S	99⅞	July 15,'03	....	....	....
" deb. g. 5's........	1934	1,135,000	J & D	111	Jan. 22,'02	....	....	....
Brooklyn & Montauk 1st 6's....	1911	250,000	M & S	....		....	....	....
" 1st 5's..................	1911	750,000	M & S	105¼	Mar. 3,'03	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's, ..	1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's,	1927	883,000	M & S	112½	Jan. 10,'02	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's,	1932	1,425,000	QJAN	112½	Apr. 9,'02	....	....	....
Louis. & Nash. gen. g. 6's.......	1930	8,584,000	J & D	116	Aug. 31,'03	....	....	....
" gold 5's................	1937	1,764,000	M & N	111	Aug. 12,'03	....	....	....
" Unified gold 4's........	1940	29,677,000	J & J	98	Sept. 30,'03	99	98	147,000
" registered	1940		J & J	83	Feb. 27,'98	....	....	....
" collateral trust g. 5's,	1931	5,129,000	M & N	112¼	July 24,'03	....	....	....
" E., Hend. & N. 1st 6's..	1919	1,785,000	J & D	112¼	Aug. 10,'03	....	....	....
" L. Cin. & Lex. g. 4½'s, ..	1931	3,258,000	M & N	108¼	Jan. 30,'03	....	....	....
" N. O. & Mobile 1st g. 6's..	1930	5,000,000	J & J	122¼	Sept. 19,'03	124¼	121½	14,000
" 2d g. 6's................	1930	1,000,000	J & J	122¾	Aug. 31,'03	....	....	....
" Pensacola div. g. 6's...	1920	580,000	M & S	116⅝	Mar. 22,'02	....	....	....
" St. Louis div. 1st g. 6's.	1921	3,500,000	M & S	125½	Aug. 12,'02	....	....	....
" 2d g. 3's................	1980	3,000,000	M & S	75	June 20,'02	....	....	....
" H. B'ge 1st sk'fd. g 6's.	1931	1,587,000	M & S	....		....	....	....
" Ken. Cent. g. 4's......	1987	6,742,000	J & J	98¾	Sept. 14,'03	98¾	98¾	3,000
" L. & N. & Mob. & Montg 1st. g. 4½s...........	1945	4,000,000	M & S	107½	June 2,'02	....	....	....
" South. Mon. joint 4's.	1952	11,827,000	J & J	85¾	Sept. 30,'03	86	85½	106,000
" registered....			Q Jan	....		....	....	....
" N. Fla. & S. 1st g. g. 5's,	1937	2,096,000	F & A	106½	Sept. 24,'03	106½	106½	1,000
" Pen. & At. 1st g. g. 6's,	1921	2,550,000	F & A	110	Aug. 14,'03	....	....	....
" S. & N. A. con. gtd. g. 5's.	1936	3,673,000	F & A	104	Sept. 29,'03	104	104	50,000
" So. & N. Ala. si'fd. g. 6s.	1910	1,942,000	A & O	110	Mar. 23,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's.	1945	3,000,000	M & S	100	Mar. 19,'01	....	....	....
Manhattan Railway Con. 4's.....	1990	28,065,000	A & O	102	Sept. 30,'03	102	101¾	124,000
" registered..................			A & O	108⅞	Dec. 17,'02	....	....	....

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Metropolitan Elevated 1st 6's....1908	10,818,000	J & J	109	Sept.30,'03	109	108⅜	19,000
Manitoba Swn. Coloniza'n g. 5's, 1934	2,544,000	J & D	....	....	....	....	....
Mexican Central.							
" con. mtge. 4's...........1911	65,643,000	J & J	71⅛	Sept.23,'03	74	71½	62,000
" 1st con. inc. 3's..........1939	20,511,000	JULY	13¾	Sept.29,'03	17¼	12½	667,000
" 2d 3's....................1939	11,724,000	JULY	9⅛	Sept.11,'03	9⅞	9⅛	67,000
" equip. & collat. g. 5's....1917	650,000	A & O	....	....	....	....	....
" 2d series g. 5's...........1919	765,000	A & O	....	....	....	....	....
" col.trust g.4½'s1st se of1907	10,000,000	F & A	91½	Sept.28,'03	93½	91½	28,000
Mexican Internat'l 1st con g. 4's,1977	3,362,000	M & S	90⅝	July 29,'01	....	....	....
" stamped gtd................	3,621,000	......	....	....	....	....	....
Mexican Northern 1st g. 6's.....1910	1,061,000	J & D	....	....	....	....	....
" registered..................		J & D	105	May 2,19'	....	....	....
Minneapolis & St. Louis 1st g. 7's.1927	950,000	J & D	144	Sept.28,'03	144	144	3,000
" Iowa ext. 1st g. 7's......1909	1,015,000	J & D	116¾	Feb. 24,'03	....	....	....
" Pacific ext. 1st g. 6's....1921	1,382,000	J & A	123½	Apr. 29,'03	....	....	....
" Southw. ext. 1st g. 7's...1910	636,000	J & D	121	Jan. 21,'02	....	....	....
" 1st con. g. 5's...........1934	5,000,000	M & N	112¼	Sept.23,'03	112¼	112	9,000
" 1st & refunding g. 4's...1949	7,600,000	M & S	95¾	Sept.28,'03	97	95¾	25,000
Minneapolis & Pacific 1st m. 5's..1936	3,208,000	J & J	102	Mar.26,'87	....	....	....
" stamped 4's pay. of int. gtd.			....	....	....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's.1926	8,280,000	J & J	103	Nov.11,'01	....	....	....
" stamped pay. of int. gtd.			89¾	June 18,'91	....	....	....
Minn., S. P. & S. S. M., 1st c. g. 4's.1938	21,949,000	J & J	98	Apr. 3,'01	....	....	....
" stamped pay. of int. gtd.			....	....	....	....	....
Missouri, K. & T. 1st mtge g. 4's.1990	40,000,000	J & D	97½	Sept.30,'03	98	97	90,000
" 2d mtge. g. 4's.........1990	20,000,000	F & A	77	Sept.30,'03	78½	76½	68,000
" 1st ext gold 5's.. 1944	2,868,000	M & N	97¾	Sept.22,'03	99	97¾	25,000
St. Louis div. 1st refundg 4s...2001	1,852,000	A & O	86	Oct. 16,'02	....	....	....
Dallas & Waco 1st gtd. g. 5's....1940	1,340,000	M & N	106¼	Sept.20,'02	....	....	....
Mo. K.&T. of Tex 1st gtd.g. 5's.1942	3,907,000	M & S	100¾	Sept. 9,'03	100¾	100½	10,000
Sher.Shrevept & Sol st gtd.g.5's1943	1,689,000	J & D	106	Aug.21,'03	....	....	....
Kan. City & Pacific 1st g. 4's...1990	2,500,000	F & A	90	May 14,'03	....	....	....
Mo. Kan. & East'n 1st gtd. g. 5's.1942	4,000,000	A & O	108½	Aug.27,'03	....	....	....
Missouri, Pacific 1st con. g. 6's...1920	14,904,000	M & N	118¾	Sept.29,'03	119	118	333,000
" 3d mortgage 7's.......1906	3,828,000	M & N	107	Sept. 8,'03	107	107	1,000
" trusts gold 5's stamp'd1917	14,376,000	M & S	102½	Sept.30,'03	103½	102	69,000
" registered................		M & S	....	....	....	....	....
" 1st collateral gold 5's.1920	9,636,000	F & A	102	Sept.28,'03	102	102	6,000
" registered................		F & A	....	....	....	....	....
Cent. Branch Ry. 1st gtg. g. 4's.1919	3,459,000	F & A	92	July 14,'03	....	....	....
Leroy & Caney Val. A. L. 1st 5's.1926	520,000	J & J	100	May 1,'01	....	....	....
Pacific R. of Mo. 1st m. ex. 4's.1938	7,000,000	M & S	100	Sept.17,'03	100	100	1,000
" 2d extended g. 5's.....1938	2,573,000	F & A	107⅝	Sept. 9,'03	107⅝	107⅝	2,000
St. L. & I. g. con. R.R.&l.gr. 5's1931	36,258,000	A & O	111⅛	Sept 30,'03	111⅜	110¾	260,000
" stamped gtd gold 5's..1931	6,945,000	A & O	111	Sept.11,'03	111	111	2,000
" unify'g & rfd'g g. 4's.1929	25,726,000	J & J	84	Sept.28,'03	85½	83	42,000
" registered................		J & J	....	....	....	....	....
Verdigris V'y Ind. & W. 1st 5's.1926	750,000	M & S	....	....	....	....	....
Mob. & Birm., prior lien, g. 5's...1945	374,000	J & J	109	Aug.31,19'	....	....	....
" small........................	226,000	J & J	90	Feb. 4,'03	....	....	....
" mtg. g. 4's...............1945	700,000	J & J	93	Apr. 25,'02	....	....	....
" small........................	500,000	......	....	....	....	....	....
Mob. Jackson & Kan. City 1st g. 5's.1946	1,000,000	J & D	102	July 25,'02	....	....	....
Mobile & Ohio new mort. g. 6's..1927	7,000,000	J & J	122¼	Aug.28,'03	....	....	....
" 1st extension 6's......1927	974,000	J & D	124¾	Apr. 28,'03	....	....	....
" gen. g. 4's.............1938	9,472,000	Q J	91¾	Aug.19,'03	....	....	....
" Montg'ry div. 1st g. 5's.1947	4,000,000	F & A	110	Sept.29,'03	110	110	2,000
St. Louis & Cairo gtd g. 4's.....1931	4,000,000	M & S	93	Feb. 3,'03	....	....	....
" collateral g. 4's........1930	2,494,000	Q F	96½	Nov.30,'01	....	...	....
Nashville, Chat. & St. L. 1st 7's...1913	6,300,000	J & J	120¾	Sept. 2,'03	120¾	120¾	1,000
" 1st cons. g. 5's..........1928	7,412,000	A & O	110	Aug.24,'03	....	....	....
" 1st g. 6's Jasper Branch.1923	371,000	J & J	123	Mar. 28,'01	....	....	....
" 1st 6's McM. M.W. & Al.1917	750,000	J & J	116	July 31,'02	....	....	....
" 1st 6's T. & Pb...........1917	300,000	J & J	110	Dec. 20,'99	....	....	....
Nat.R.R. of Mex. prior lien g. 4½'s.1926	20,000,000	J & J	101½	Aug.19,'03	....	....	....
" 1st con. g. 4's............1951	22,000,000	A & O	75	Sept.28,'03	77½	74	92,000
N. O. & N. East. prior lien g. 6's..1915	1,320,000	A & O	108½	Aug.13,'94	....	....	....

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Name. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	September Sales. High.	September Sales. Low.	September Sales. Total.
N.Y. Cent. & Hud. R. g. mtg. 3½s. 1997	78,057,000	J & J	96½	Sept. 30, '03	96½	95½	352,000
" " registered		J & J	94¼	Aug. 4, '03	....	....	....
" debenture 5's..... 1884–1904	4,480,000	M & S	101⅝	July 29, '03	....	....	....
debenture 5's reg.		M & S	100½	June 26, '03	....	....	....
" reg. deben. 5's.... 1889–1904	639,000	M & S	103⅛	Apr. 30, '01	....	....	....
" debenture g. 4's.. 1890–1905	5,094,000	J & D	99¾	June 1, '03	....	....	....
" registered		J & D	99	Dec. 12, '02	....	....	....
" deb. cert. ext. g. 4's... 1905	3,581,000	M & N	100	Sept. 8, '03	100	100	5,000
" registered		M & N	99½	Nov. 8, '02	....	....	....
Lake Shore col. g. 3½s. 1998	90,578,000	F & A	90	Sept. 30, '03	90	89	110,000
" registered		F & A	86	Sept. 21, '03	87	86	9,000
Michigan Central col. g. 3½s.. 1998	19,336,000	F & A	88	Sept. 22, '03	88½	88	26,000
" registered		F & A	91	Jan. 17, '03	....	....	....
Beech Creek 1st. gtd. 4's. 1936	5,000,000	J & J	108½	June 9, '03	....	....	....
" registered		J & J	106	June 17, '96	....	....	....
" 2d gtd. g. 5's. 1936	500,000	J & J	....	....	....	....	....
" registered	....	J & J	....	....	....	....	....
" ext. 1st. gtd. g. 3½'s.. 1951	4,500,000	A & O	....	....	....	....	....
" registered		A & O	....	....	....	....	....
Carthage & Adiron. 1st gtd g. 4's 1981	1,100,000	J & D	....	....	....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A. 1940	770,000	J & J	95	Apr. 3, '02	....	....	....
" small bonds series B	33,100	J & J	....	....	....	....	....
Gouv. & Oswega. 1st gtd g. 5's. 1942	300,000	J & D	....	....	....	....	....
Mohawk & Malone 1st gtd g. 4's. 1991	2,500,000	M & S	107½	July 6, 19'	....	....	....
N. Jersey Junc. R. R. g. 1st 4's. 1986	1,650,000	F & A	105	Oct. 10, '02	....	....	....
" reg. certificates		F & A	....	....	....	....	....
N.Y. & Putnam 1st con. gtd g. 4's. 1993	4,000,000	A & O	105½	Nov. 15, '96	....	....	....
Nor. & Montreal 1st g. gtd 5's.. 1916	130,000	A & O	....	....	....	....	....
West Shore 1st guaranteed 4's. 2361	50,000,000	J & J	107¼	Sept. 24, '03	109½	107¼	34,000
" registered		J & J	105½	Sept. 28, '03	107	105½	5,000
Lake Shore con. 2d 7's. 1903	6,812,000	J & D	102	Sept. 21, '03	102	102	2,000
" con. 2d registered.... 1903		J & D	101½	Aug. 10, '03	....	....	....
" g 3½s. 1997	43,820,000	J & D	98	Sept. 28, '03	98	98	5,000
" registered		J & D	97¾	Sept. 26, '03	97¾	97¾	5,000
Detroit, Mon. & Toledo 1st 7's. 1906	924,000	F & A	114	Feb. 6, '02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's... 1938	840,000	J & J	....	....	....	....	....
Mahoning Coal R. R. 1st 5's.... 1934	1,500,000	J & J	124	Jan. 5, '03	....	....	....
Pitt McK'port & Y. 1st gtd 6's.. 1932	2,250,000	J & J	139	Jan. 21, '03	....	....	....
" 2d gtd 6's. 1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's.. 1918	600,000	J & J	....	....	....	....	....
Michigan Cent. 6's. 1909	1,500,000	M & S	112	May 13, '03	....	....	....
" 5's. 1931	3,576,000	M & S	123½	Mar. 13, '03	....	....	....
" 5's reg. 1931		Q M	127	June 19, '02	....	....	....
" 4's. 1940	2,600,000	J & J	110	Dec. 7, '01	....	....	....
" 4's reg.		J & J	106½	Nov. 26, 19'	....	....	....
" g. 3½'s sec. by 1st mge. on J. L. & S.	2,000,000	M & S	....	....	....	....	....
" 1st g. 3½'s. 1952	10,000,000	M & N	....	....	....	....	....
Battle C. Sturgis 1st g. g. 3's... 1989	476,000	J & D	....	....	....	....	....
N. Y. & Harlem 1st mort. 7's c.. 1900	12,000,000	M & N	100	Sept. 24, 19'	100	100	10,000
" 7's registered. 1900		M & N	102¾	Apr. 6, 19'	....	....	....
N. Y. & Northern 1st g. 5's. 1927	1,200,000	A & O	119½	Dec. 3, '02	....	....	....
R. W. & Og. con. 1st ext. 5's... 1922	2,081,000	A & O	118⅛	Sept. 22, '03	118⅛	118⅛	5,000
coup. g. bond currency		A & O	....	....	....	....	....
Oswego & Rome 2d gtd gold 5's. 1915	400,000	F & A	113¾	Jan. 25, '02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's. 1918	375,000	M & N	....	....	....	....	....
Utica & Black River gtd g. 4's.. 1922	1,800,000	J & J	107⅜	Feb. 2, '03	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's... 1937	19,425,000	A & O	103	Sept. 30, '03	103⅛	102½	45,000
" registered		A & O	103	May 14, '03	....	....	....
N. Y., N. Haven & Hartford.							
Housatonic R. con. g. 5's. 1937	2,838,000	M & N	131¾	Apr. 29, '03	....	....	....
New Haven and Derby con. 5's 1918	575,000	M & N	115½	Oct. 15, '94	....	....	....
N. Y. & New England 1st 7's.... 1905	6,000,000	J & J	106¼	May 14, '03	....	....	....
" 1st 6's. 1905	4,000,000	J & J	101	Sept. 8, '03	101	101	1,000
N.Y., Ont. & W'n. ref'ding 1st g. 4's. 1992	16,937,000	M & S	99	Sept. 16, '03	99	97½	19,000
" registered....... $5,000 only.	....	M & S	101	May 15, '03	....	....	....
Norfolk & Southern 1st g. 5's.... 1941	1,430,000	M & N	114	Feb. 4, '03	....	....	....
Norfolk & Western gen. mtg. 6's. 1931	7,283,000	M & N	132	Sept. 2, '03	132	132	1,000
" imp'ment and ext. 6's... 1934	5,000,000	F & A	128	Apr. 1, '03	....	....	....
" New River 1st 6's. 1932	2,000,000	A & O	132¼	Jan. 16, '03	....	....	....

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	September Sales. High	September Sales. Low.	September Sales. Total.
Norfolk & West. Ry 1st con. g. 4s.	1996	36,210,500	A & O	96¾	Sept.30,'03	97	96⅛	266,000
" registered			A & O	96⅛	Sept.22,'03	96⅛	96⅛	1,000
" small bonds			A & O	....	....	....	....	....
" Pocahon C.&C.Co.jt.4's.	1941	20,000,000	J & D	88	Sept.29,'03	89⅛	88	102,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	107⅛	July 1,'01	....	....	....
" Sci'o Val & N.E. 1st g.4's,	1989	5,000,000	J & N	98	Sept.21,'03	98⅛	96⅞	14,000
N. P. Ry prior ln ry.&ld.gt.g.4's.	1997	100,392,500	Q J	101	Sept.30,'03	101⅛	100⅛	550,500
" registered			Q J	101	Sept. 1,'03	101	101	2,000
" gen. lien g. 3's	2047	56,000,000	Q F	70	Sept.30,'03	71	70	277,000
" registered			Q F	70⅛	Mar. 9,'03	....	....	....
St. Paul & Duluth div. g. 4's	1996	9,215,000	J & D	101	June16,'02	....	....	....
" registered			J & D	....	....	....	....	....
St. Paul & N. Pacific gen g. 6's.	1923	7,985,000	F & A	121	Aug.25,'03	....	....	....
" registered certificates			Q F	132	July 28,'98	....	....	....
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	112¼	July 21, 03	....	....	....
" 2d 5's	1917	2,000,000	A & O	105	Sept.16,'03	105	105	2,000
" 1st con. g. 4's	1968	1,000,000	J & D	96⅛	Mar. 3,'03	....	....	....
Washington Cen. Ry 1st g. 4's.	1948	1,538,000	QMCH	94½	Feb. 19,'01	....	....	....
Nor. Pacific Term. Co. 1st g. 6's.	1933	3,665,000	J & J	111	Aug. 5,'03	....	....	....
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	114½	May 4,'02	....	....	....
" gen. mortg. g 6's	1937	2,428,000	A & O	108½	July 9,02'	....	....	....
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	104	Sept.30,'03	105½	102½	22,000
Panama 1st sink fund g. 4½'s	1917	2,246,000	A & O	102	Apr.21,'03	....	....	....
" s. f. subsidy g 6's	1910	1,049,000	M & N	102	Apr.14,'02	....	....	....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	108	Sept.11,'03	108	108	1,000
" reg	1921		J & J	106	Mar.26,'03	....	....	....
" gtd.3½ col.tr.reg. cts.	1937	4,895,000	M & S	95	Sept.15,'03	95	95	10,000
" gtd.3½ col.tr.cts.ser B	1941	10,000,000	F & A	94	Sept.10,'03	94	94	1,000
" Trust Co. ctfs. g. 3½'s.	1916	18,666,000	M & N	95	July 16,'03	....	....	....
Chic., St. Louis & P. 1st c. 5's.	1932	1,506,000	A & O	122¼	Feb. 9,'03	....	....	....
" registered		....	A & O	110	May 3,'92	....	....	....
Cin., Leb. & N. 1st con.gtd.g.4's.	1942	1,063,000	J & J	....	....	....	....	....
Clev.&P.gen.gtd.g.4½'s Ser. A.	1942	3,000,000	J & J	108¼	Aug.21,'03	....	....	....
" Series B	1942	1,561,000	A & O	....	....	....	....	....
" " int. reduc. 3½ p.c.		439,000	....	....	....	....	....	....
" Series C 3½s	1948	3,000,000	M & N	....	....	....	....	....
" Series D 3½s	1950	1,983,000	F & A	....	....	....	....	....
E.&Pitts. gen.gtd.g.3½s Ser.B.	1940	2,250,000	J & J	102	Nov. 7,19'	....	....	....
" " " C.	1940	1,508,000	J & J	....	....	....	....	....
Newp. & Cin. Bge Co. gtd g. 4's.	1945	1,400,000	J & J	....	....	....	....	....
Pitts., C. C. & St. L. con. g 4½'s..								
" Series A	1940	10,000,000	A & O	108¾	Sept.24,'03	108¾	108¾	1,000
" Series B gtd	1942	8,786,000	A & O	110⅝	June18,'03	....	....	....
" Series C gtd	1942	1,379,000	M & N	116½	Feb. 14,'01	....	....	....
" Series D gtd. 4's	1945	4,983,000	M & N	106¼	Nov.19,'02	....	....	....
" Series E gtd. g. 3½s	1949	10,840,000	F & A	92	Sept.15,'03	92	92	10,000
Pitts., Ft. Wayne & C. 1st 7's.	1912	2,407,000	J & J	127⅝	Oct. 21,'02	....	....	....
" 2d 7's	1912	2,047,500	J & J	119¾	Sept. 9,'03	119¾	119¾	1,500
" 3d 7's	1912	2,000,000	A & O	120	Mar.16,'03	....	....	....
Tol Walhonding Vy.&O. 1st gtd. bds								
4½'s series A	1931	1,500,000	J & J	....	....	....	....	....
" 4½'s series B	1933	978,000	J & J	....	....	....	....	....
" 4's series C	1942	1,492,000	M & S	....	....	....	....	....
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	M & N	102½	Aug.18,'03	....	....	....
con. sterling gold 6 per cent	1905	22,762,000	J & J	....	....	....	....	....
con. currency, 6's registered	1905	4,718,000	Q M 15	....	....	....	....	....
con. gold 5 per cent	1919	4,998,000	M & S	....	....	....	....	....
" registered			Q M	....	....	....	....	....
con. gold 4 per cent	1943	3,000,000	M & N	106	Aug.28,'03	....	....	....
" ten year conv. 3½'s.	1912	20,697,500	M & N	94⅝	Sept.30,'03	96	94¼	580,000
Allegh. Valley gen. gtd. g. 4's.	1942	5,389,000	M & S	110	Aug.28,19'	....	....	....
Belvedere Del. con. gtd. 3½'s.	1943	1,000,000	J & J	....	....	....	....	....
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	112¾	Mar. 7,19'	....	....	....
Del.R. RR.& BgeCo 1stgtdg.4's,	1936	1,300,000	F & A	....	....	....	....	....
G.R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	109⅛	Sept.23,'03	109⅛	109⅛	16,000
Sunbury & Lewistown 1stg.4's.	1936	500,000	J & J	....	....	....	....	....
U'd N. J. RR. & Can Co. g 4's	1944	5,646,000	M & S	117	May 1,19'	....	....	....
Peoria & Pekin Union 1st 6's	1921	1,495,000	Q F	124¼	Apr.18,'03	....	....	....
" 2d m 4½'s	1921	1,499,000	M & N	95	June16,'03	....	....	....
Pere Marquette.								
Flint & Pere Marquette g. 6's.	1920	3,999,000	A & O	116	July 29,'03	....	....	....
" 1st con. gold 5's	1939	2,850,000	M & N	107⅛	Sept.15,'03	107⅛	107⅛	1,000
" Port Huron d 1st g 5's.	1939	3,325,000	A & O	108¼	Sept.25,'03	108¼	108	3,000
Sag'w Tusc. & Hur. 1st gtd.g.4's.	1931	1,000,000	F & A	....	....	....	....	....
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov.17,'98	....	....	....
Pittsburg, Clev. & Toledo 1st 6's.	1922	2,400,000	A & O	107⅛	Oct. 26,'98	....	....	....

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NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	SEPTEMBER SALES. High.	Low.	Total.
Pittsburg, Junction 1st 6's.......1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A, 1928	2,000,000	A & O	112½	Dec. 13,'93	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's, 1940	3,000,000	A & O	117¼	July 7,'03	....	....	....
• 1st cons. 5's..............1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg & West'n 1st gold 4's, 1917	1,589,000	J & J	98	Aug. 1,'03	....	....	....
• J. P. M. & Co., ctfs., ...	8,111,000	......	100¼	Feb. 13,'03	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's, 1927	1,562,000	M & N	120½	Dec. 8,'02	....	....	....
Reading Co. gen. g. 4's...........1997	64,526,000	J & J	94¼	Sept.30,'03	95⅝	94	343,000
• registered..................		J & J	96⅛	July 2,'03	....	....	....
• Jersey Cent. col. g. 4's..1957	23,000,000	......	91¾	Sept.16,'03	91¾	91½	11,000
• • registered.....	....	......	....		....	....	....
Atlantic City 1st con. gtd. g. 4's.1951	1,063,000	M & N	....		....	....	....
Rio Grande West'n 1st g. 4's.....1939	15,200,000	J & J	94¼	Sept.23,'03	95	94¼	33,000
• mge & col. tr. g. 4's ser. A.1949	12,200,000	A & O	89½	Sept.14,'03	90	89	50,000
• Utah Cen. 1st gtd. g. 4's.1917	550,000	A & O	97	Jan. 3,'02	....	....	....
Rio Grande Junc'n 1st gtd. g. 5's, 1939	1,850,000	J & D	110½	Feb. 25,'03	....	....	....
Rio Grande Southern 1st g. 4's..1940	2,233,000	J & J	75	Aug. 3,'03	....	....	....
• guaranteed..............	2,277,000	......	94¼	Nov.15,'02	....	....	....
Rutland RR 1st con. g. 4½ s....1941	2,440,000	J & J	....		....	....	....
Ogdnsb.&L.Ch'n.Ry.1st gtd g4s1948	4,400,000	J & J	....		....	....	....
Rutland Canadian 1st gtd. g. 4's.1949	1,350,000	J & J	101¼	Nov.18,'01	....	....	....
Salt Lake City 1st g. sink fu'd 6's, 1913	297,000	J & J	....		....	....	....
St. Jo. & Gr. Isl. 1st g. 2.342.......1947	3,500,000	J & J	88	May 26,'03	....	....	....
St. L. & Adirondack Ry. 1st g. 5's.1996	800,000	J & J	....		....	....	....
• 2d g. 6's...............1996	400,000	A & O	....		....	....	....
St. Louis & San F. 2d 6's, Class B, 1906	998,000	M & N	105½	Sept.15,'03	105½	105¼	14,000
• 2d g. 6's, Class C......1906	829,000	M & N	104½	Aug.18,'03	....	....	....
• gen. g. 6's............1931	3,681,000	J & J	122	Sept.30,'03	122	121	11,000
• gen. g. 5's.............1931	5,803,000	J & J	108½	Sept.19,'03	109	108½	2,000
St. L & San F. R. R. con. g. 4's.1996	1,558,000	J & D	92	Aug.20,'03	....	....	....
• S. W. div. g. 5's........1947	829,000	A & O	100	June 5,'02	....	....	....
• refunding g. 4's.......1951	52,717,000	J & J	80	Sept.30,'03	81¼	78¾	998,000
• • registered...		J & J	....		....	....	....
Kan. Cy Ft.S.&MemRRcong6's1928	13,736,000	M & N	118	June 8,'03	....	....	....
Kan.Cy Ft.S &MRyrefggtd g4s.1936	14,099,000	A & O	77	Sept.30,'03	80	76	68,000
• registered...............		A & O	....		....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs., 1989	20,000,000	M & N	93	Sept.29,'03	95	92½	70,000
• 2d g. 4's inc. Bd. ctfs....1989	3,272,500	J & J	71	Sept.24,'03	72	70½	23,000
• con. g. 4's...............1932	12,054,000	J & D	68½	Sept.30,'03	72	67½	335,000
Gray's Point, Term. 1st gtd. g. 5's.1947	339,000	J & D	....		....	....	....
St. Paul, Minn. & Manito'a 2d 6's..1909	7,364,000	A & O	110¼	Sept.10,'03	110¼	110¼	4,000
• 1st con. 6's...........1933	13,344,000	J & J	128	Sept.19,'03	128	128	1,000
• 1st con. 6's, registered....		J & J	140	May 14,'02	....	....	....
• 1st c. 6's, red'd to g. 4½'s...	19,510,000	J & J	108	Sept.25,'03	108	108	12,000
• 1st cons. 6's register'd....		J & J	115¼	Apr. 15,'01	....	....	....
• Dakota ext'n g. 6's...1910	5,558,000	M & N	110¼	July 30,'03	....	....	....
• Mont. ext'n 1st g. 4's.1937	10,185,000	J & D	101	Sept.18,'03	101	101	3,000
• registered................		J & D	106	May 6,'01	....	....	....
Eastern R'y Minn, 1std. 1st g. 5's..1908	4,700,000	A & O	104	Aug.15,'03	....	....	....
• registered...............		A & O	....		....	....	....
• Minn. N. div. 1st g. 4's..1940	5,000,000	A & O	....		....	....	....
• registered...............		A & O	....		....	....	....
Minneapolis Union 1st g. 6's....1922	2,150,000	J & J	128	Apr. 4,19'	....	....	....
Montana Cent. 1st 6's int. gtd..1937	6,000,000	J & J	134	Mar. 16,'03	....	....	....
• 1st 6's, registered.........		J & J	115	Apr. 24,'97	....	....	....
• 1st g. g. 5's............1937	4,000,000	J & J	111½	Aug.25,'03	....	....	....
• registered................		J & J	....		....	....	....
Willmar & Sioux Falls 1st g. 5's, 1938	3,625,000	J & D	125¼	Feb. 17,'02	....	....	....
• registered................		J & D	....		....	....	....
San Fe Pres.& Phoe.Ry.1st g.5's, 1942	4,940,000	M & S	111	Aug.15,'01	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's, 1919	3,872,000	J & J	113¾	Dec. 11,'01	....	....	....
Sav. Florida & Wn. 1st c. g. 6's...1934	4,056,000	A & O	128	Oct. 28,'02	....	....	....
• 1st g. 5's................1934	2,444,000	A & O	112	Mar. 17,'99	....	....	....
• St. John's div. 1st g. 4's.1934	1,350,000	J & J	95¼	Nov.30,'01	....	....	....
Alabama Midland 1st gtd. g. 5s.1928	2,800,000	M & N	111	Apr. 20,'03	....	....	....
Brunsw. & West.1st gtd. g.4's..1938	3,000,000	J & J	87	Aug.22,'01	....	....	....
Sil.S.Oc.& G.R.R.& lg. gtd. g.4's.1918	1,107,000	J & J	95¼	May 13,'03	....	....	....
Seaboard Air Line Ry g. 4's......1950	12,775,000	A & O	74¼	Sept.30,'03	78	73½	106,000
• registered..................		A & O	....		....	....	....
• col. trust refdg g. 5's..1911	10,000,000	M & N	101½	Sept.28,'03	101⅞	101½	20,000
Seaboard & Roanoke 1st 5's.......1926	2,500,000	J & J	111¼	May 7,'03	....	....	....
Carolina Central 1st con. g. 4's.1949	2,847,000	J & J	95½	Feb. 17,'03	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest paices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	September Sales. High.	September Sales. Low.	September Sales. Total.
Sodus Bay & Sout'n 1st 5's, gold, 1924	500,000	J & J	102	Jan. 20,'03	....	....	....
Southern Pacific Co.							
" 2-5 year col. trust g. 4½'s.1905	15,000,000	J & D	97	Sept.30,'03	98	97	72,000
" g. 4's Central Pac. coll..1949	28,818,500	J & D	85½	Sept.30,'03	87	85½	131,000
" " registered......		J & D	95	Apr.10,'02	....	....	....
Austin & Northw'n 1st g. 5's...1941	1,920,000	J & J	105½	Feb. 25,'03	....	....	....
Cent. Pac. 1st refud. gtd.g. 4's..1949	60,017,000	F & A	97	Sept.30,'03	98	96¾	126,000
" registered............		F & A	99¼	Mar. 5,'93	....	....	....
" mtge. gtd. g. 3½'s...1929	18,069,500	J & D	85	Sept.30,'03	85⅝	85	28,000
" " registered		J & D	....		....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's..1910	4,756,000	F & A	110¼	Feb. 27,'03	....	....	....
" 2d g 7's...............1905	1,000,000	J & D	105	Feb. 11,'03	....	....	....
" Mex. & P. div 1st g 5's.1931	13,418,000	M & N	109⅞	Jan. 30,'03	....	....	....
Gila Val.G.& N'n 1st gtd g 5's.1924	1,514,000	M & N	109½	Feb. 24,'03	....	....	....
Houst. E. & W. Tex. 1st g. 5's..1933	501,000	M & N	105	May 20,'02	....	....	....
" 1st gtd. g. 5's.........1933	2,199,000	M & N	102½	Dec. 1,'02	....	....	....
Houst. & T.C. 1st g 5's int. gtd..1937	2,826,000	J & J	111	Aug.10,'03	....	....	....
" con. g 6's int. gtd......1912	2,911,000	A & O	109	Sept.15,'03	109	109	6,000
" gen. g 4's int. gtd......1921	4,287,000	A & O	92	May 7,'03	....	....	....
" W&Nwn.div.1st.g.6's.1930	1,105,000	M & N	127½	Feb. 27,'02	....	....	....
Morgan's La & Tex. 1st g 6's....1920	1,494,000	J & J	122	Sept.15,'02	....	....	....
" 1st 7's.................1918	5,000,000	A & O	130	Nov.19,'02	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's..1912	1,465,000	A & O	....		....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's.1907	3,964,000	J & J	102	July 30,'03	....	....	....
" gtd. g. 5's.................	4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's........1927	19,031,000	J & J	105½	Nov. 7,'01	....	....	....
San Ant.&Aran Pass1st gtd g 4's.1943	18,900,000	J & J	72	Sept.30,'03	77⅝	72	92,000
South'n Pac.of Ariz.1st 6's.....1909	6,000,000	J & J	110¼	Apr. 9,'03	....	....	....
" " 1910	4,000,000	J & J	111½	Apr. 6,'03	....	....	....
" of Cal. 1st g 6's ser. A.1905	29,192,500	A & O	103¼	July 20,'03	....	....	....
" " " ser. B.1905		A & O	104¼	May 15,'03	....	....	....
" " " C. & D.1906		A & O	106½	May 15,'03	....	....	....
" " " E. & F.1902		A & O	119¾	Feb. 20,'03	....	....	....
" " " 1912	....	A & O	119	Mar. 17,'03	....	....	....
" 1st con. gtd. g 5's...1937	6,809,000	M & N	107½	Sept.1,'03	107½	107½	2,000
" stamped.........1905-1937	20,420,000	......	107½	Sept.28,'03	107½	107½	15,000
So. Pacific Coast 1st gtd. g. 4's.1937	5,500,000	J & J	....		....	....	....
" of N. Mex. c. 1st 6's.1911	4,180,000	J & J	108¾	June26,'03	....	....	....
Tex. & New Orleans 1st 7's......1905	862,000	F & A	108	May 20,'02	....	....	....
" Sabine div. 1st g 6's...1912	2,575,000	M & S	111½	Oct. 30,'02	....	....	....
" con. g 5's..............1943	1,620,000	J & J	101	Apr. 25,'03	....	....	....
Southern Railway 1st con. g 5's.1994	37,191,000	J & J	112½	Sept.30,'03	113¾	112	231,000
" registered....................		J & J	111¼	Aug. 7,'03	....	....	....
Mob. & Ohio collat. trust g. 4's.1938	7,855,000	M & S	90½	Sept.28,'03	90½	90	5,000
" registered.................		M & S			....	....	....
" Memph.div.1st g.4-4½-5's.1996	5,183,000	J & J	112½	Apr. 15,'03	....	....	....
" registered..................		J & J	....		....	....	....
" St. Louis div. 1st g. 4's...1951	11,250,000	J & J	94	Aug.19,'03	....	....	....
" " registered..............		J & J	....		....	....	....
Alabama Central, 1st 6's.......1918	1,000,000	J & J	120	Mar. 25,'01	....	....	....
Atlantic & Danville 1st g. 4's..1948	3,925,000	J & J	95	Dec. 4,'02	....	....	....
Atlantic & Yadkin, 1st gtd g 4s.1949	1,500,000	A & O	....		....	....	....
Col. & Greenville, 1st 5-6's.....1916	2,000,000	J & J	120	Sept.10,'02	....	....	....
East Tenn., Va. & Ga. div.g.5's.1930	3,106,000	J & J	112	Sept 11,'03	112	112	10,000
" con. 1st g 5's..........1956	12,770,000	M & N	115½	Sept.26,'03	115½	114½	23,000
" reorg. lien g 4's.......1938	4,500,000	M & S	114	Jan. 26,'03	....	....	....
" registered................		M & S	....		....	....	....
Ga. Pacific Ry. 1st g 5-6's......1922	5,660,000	J & J	122	Mar. 30,'03	....	....	....
Knoxville & Ohio, 1st g 6's.....1925	2,000,000	J & J	120	July 3,'03	....	....	....
Rich. & Danville, con. g 6's....1915	5,597,000	J & J	115½	Aug.26,'03	....	....	....
" equip. sink. f'd g 5's, 1909	818,000	M & S	101¼	July20,19'	....	....	....
" deb. 5's stamped......1927	3,368,000	A & O	108	Sept. 1,'03	108	108	10,000
Rich. & Mecklenburg 1st g. 4's.1948	315,000	M & N	92	Sept. 9,'02	....	....	....
South Caro'a & Ga. 1st g. 5's....1919	5,250,000	M & S	104½	Sept.16,'03	104½	103⅞	4,000
Vir. Midland serial ser. A 6's..1906	600,000	M & S	....		....	....	....
" small......................		M & S	....		....	....	....
" ser. B 6's..............1911	1,900,000	M & S	112½	Jan. 6,'03	....	....	....
" small.....................		M & S	....		....	....	....
" ser. C 6's..............1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
" small.....................		M & S	....		....	....	....
" ser. D 4-5's............1921	950,000	M & S	112	Feb. 18,'03	....	....	....
" small.....................		M & S	....		....	....	....
" ser. E 5's..............1926	1,775,000	M & S	115	Jan. 6,'03	....	....	....
" small.....................		M & S	....		....	....	....
" ser. F 5's..............1931	1,310,000	M & S	114	Dec. 18,'02	....	....	....
Virginia Midland gen. 5's......1936	2,392,000	M & N	109	Aug.14,'03	....	....	....
" gen.5's. gtd. stamped.1926	2,466,000	M & N	113½	May 14,'03	....	....	....

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	SEPTEMBER SALES. *High.*	SEPTEMBER SALES. *Low.*	SEPTEMBER SALES. *Total.*
W. O. & W. 1st cy. gtd. 4's.....1924	1,025,000	F & A	93	Feb. 20,'03	....	....	....
W. Nor. C. 1st con. g 6's........1914	2,531,000	J & J	115⅛	Mar. 6,'03	....	....	....
Spokane Falls & North.1st g.6's..1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl.Ry.N.Y.1stgtd.g.4½'s.1943	500,000	J & D	104½	Sept. 2,'02	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s.1939	7,000,000	A & O	107¼	July 21,'03	....	....	....
" 1st con. g. 5's.....1894-1944	5,000,000	F & A	110	Sept. 1,'03	110	110	10,000
St. L. Mers. bdg. Ter. gtd g. 5's.1930	3,500,000	A & O	115	June30,'03	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th 1905	2,815,000	M & S	100	Sept.30,'03	100	100	2,000
" 1st gold 5's..............2000	22,120,000	J & D	114	Sept.30,'03	115	113¾	71,000
" 2d gold income, 5's......2000	963,000	MAR.	81	June,25,'03	....	....	....
" La. Div.B.L. 1st g.5's...1931	3,348,000	J & J	109	Sept.25,'03	109⅛	108⅛	26,000
Toledo & Ohio Cent. 1st g 5's....1935	3,000,000	J & J	110	July 23,'03	....	....	....
" 1st M. g 5's West. div...1935	2,500,000	A & O	111	Sept. 8,'03	111	111	1,000
" gen. g. 5's.... 1935	2,000,000	J & D	112¾	Mar. 2,'03	....	....	....
" Kanaw & M. 1st g. g. 4's.1990	2,469,000	A & O	92	Sept.23,'03	92	91	2,000
Toledo Peoria & W. 1st g 4's....1917	4,900,000	J & D	88	Sept.16,'03	88	88	2,000
Tol., St.L.&Wn. prior lien g 3½'s.1925	9,000,000	J & J	85⅛	July 22,'03	....	....	....
" registered..................		J & J	....		....	....	....
" fifty years g. 4's........1925	6,500,000	A & O	70	Sept.29,'03	72⅛	69⅛	118,000
" registered..................		A & O	....		...	....	....
Toronto,Hamilton&Buff 1st g 4s.1946	3,280,000	J & D	98	Apr. 29,'03	....	....	....
Ulster & Delaware 1st c. g 5's....1925	1,852,000	J & D	108	July 28,'03	....	....	....
Union Pacific R. R. & ld gt g 4s...1947	100,000,000	J & J	99⅝	Sept.30,'03	100	99⅛	792,500
" registered.................		J & J	99¼	Sept.25,'03	99¼	99	4,000
" 1st lien con. g. 4's......1911	87,259,000	M & N	92¾	Sept.30,'03	95	91¾	2,480,000
" registered.................		M & N	105¼	Dec. 6,'02	....	....	....
Oreg. R. R. & Nav.Co.con. g 4's.1946	21,482,000	J & D	97	Sept.30,'03	97¾	96¾	44,000
Oreg. Short Line Ry. 1st g. 6's.1922	18,651,000	F & A	120	Sept.21,'03	120	120	5,000
" 1st con. g. 5's.1946..........	12,328,000	J & J	111	Sept.30,'03	111	110	20,000
" 4's&participat'g g.bds.1927	41,000,000	F & A	88	Sept.30,'03	90⅝	87⅛	262,000
" registered..................		F & A	....		....	....	....
Utah & Northern 1st 7's........1908	4,993,000	J & J	115	Nov.24,'01	....	....	....
" g. 5's.....................1926	1,877,000	J & J	114½	Apr. 19,'02	....	....	....
Virginia & S'western 1st gtd. 5's..2003	2,000,000	J & J	101	Sept.23,'03	101	101	52,000
Wabash R.R. Co., 1st gold 5's....1939	32,762,000	M & N	114	Sept.30,'03	114¾	113	157,000
" 2d mortgage gold 5's...1939	14,000,000	F & A	105⅛	Sept.29,'03	105⅝	105	28,000
" deben. mtg series A...1939	3,500,000	J & J	101½	Apr. 28,'03	....	....	....
" series B.................1939	26,500,000	J & J	53¾	Sept.30,'03	60	31½	2,478,000
" first lien eqpt. fd.g. 5's.1921	3,000,000	M & S	104½	Dec. 11,'02	....	....	....
" 1st g.5's Det.& Chi.ex..1940	3,411,000	J & J	105	Sept.29,'03	107½	105	6,000
" Des Moines div.1st g.4s.1939	1,600,000	J & J	97	May 12,'02	....	....	....
" Omaha div. 1st g. 3½s..1941	3,500,000	A & O	84	June23,'03	....	....	....
" Tol.&Chic.div.1stg.4's.1941	3,000,000	M & S	98	Mar. 17,'02	....	....	....
St.L.,K.C.& N.St.Chas. B.1st6's1908	473,000	A & O	109½	Mar. 13,'03	....	....	....
Western N.Y. & Penn. 1st g. 5's..1937	10,000,000	J & J	116	Sept.23,'03	116	116	10,000
" gen g. 3-4's..............1943	9,789,000	A & O	96½	July 2,'03	....	....	....
" inc. 5's...................1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va.Cent'l & Pitts.1st g. 6's.1911	3,250,000	J & J	108	July 31,'03	....	....	....
Wheeling & Lake Erie 1st g. 5's.1926	2,000,000	A & O	112½	July 30,'03	....	....	....
" Wheeling div. 1st g. 5's.1928	894,000	J & J	113	Sept. 9,'02	....	....	....
" exten. and imp. g. 5's...1930	343,000	F & A	110	Mar. 6,'03	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's..1949	11,130,000	M & S	86	Sept.30,'03	89	86	36,000
Wisconsin Cen. R'y 1st gen. g. 4s.1949	23,897,000	J & J	89	Sept.29,'03	90½	89	164,000
STREET RAILWAY BONDS.							
Brooklyn Rapid Transit g. 5's...1945	6,625,000	A & O	104	Sept.16,'03	104	103½	33,000
" Atl. av.Bkn .imp. g.5's.1934	1,500,000	J & J	110	Jan. 20,'99	....	....	....
" City R. R. 1st c.5's1916.1941	4,373,000	J & J	108	Aug.31,'03	....	....	....
" Qu. Co. & Sur. con. gtd. g. 5's.................1941	2,255,000	M & N	100½	Sept.26,'03	100½	100½	3,000
" Union Elev. 1st. g. 4-5s.1950	16,000,000	F & A	95	Sept.30,'03	99	94	147,000
" stamped guaranteed......		......	100¾	July 15,'03	....	....	....
Kings Co. Elev. R. R. 1st g. 4's.1949	7,000,000	F & A	85	Aug.27,'03	....	....	....
" stamped guaranteed		......	....		....	....	....
Nassau Electric R. R. gtd. g. 4's.1951	10,474,000	J & J	85½	Jan. 5,'03	....	....	....
City & Sub. R'y, Balt. 1st g. 5's...1922	2,430,000	J & D	105⅝	Apr. 17,'95	....	....	....
Conn.Ry.& Lightg 1st&rfg.g4½'s.1951	8,355,000	J & J	99⅝	Oct. 30,'02	....	....	....
Denver Con. T'way Co. 1st g. 5's.1933	730,000	A & O	97½	June13.19'	....	....	....
Denver T'way Co. con. g. 6's....1910	1,219,000	J & J	....		....	....	....
Metropol'n Ry Co. 1st g. g. 6's.1911	913,000	J & J	....		....	....	....
DetroitCit'ensSt.Ry.1stcon.g.5's.1905	5,485,000	J & J	103	Nov.23,'01	....	....	....
Grand Rapids Ry 1st g. 5's........1916	2,500,000	J & D	....		....	....	....
Louisville Railw'y Co. 1st c. g. 5's, 1930	4,600,000	J & J	109	Mar. 19,'98	....	....	....
Market St. Cable Railway 1st 6's, 1913	3,000,000	J & J	....		....	....	....

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Metro. St. Ry N.Y.g. col. tr.g. 5's.1997	12,500,000	F & A	111	Sept.29,'03	112	111	20,000
" refunding 4's..........2002	12,780,000	A & O	89	Aug.11,'03	....	....	....
B'way & 7th ave. 1st con. g. 5's, 1943	7,650,000	J & D	111	Sept.25,'03	111	111	4,000
" registered		J & D	119½	Dec. 3,19'	....	....	....
Columb. & 9th ave. 1st gtd g 5's, 1993	3,000,000	M & S	117½	July 24,'03	....	....	....
" registered..................		M & S	....		....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	116	July 27,'03	....	....	....
" registered..................		M & S	....		....	....	....
Third Ave. R.R. 1st c.gtd.g.4's..2000	35,000,000	J & J	92	Sept.30,'03	94½	91	46,000
" registered..................		J & J	....		....	....	....
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	117½	Sept.25,'03	117½	117½	3,000
Met. West Side Elev. Chic. 1st g. 4's.1938	10,000,000	F & A	99½	Mar. 27,'03	....	....	....
" registered..................		F & A	....		....	....	....
Mil. Elec. R. & Light con. 30 yr. g. 5's.1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's..........................1919	4,050,000	J & J	110	June 26,'01	....	....	....
St. Jos. Ry. Lig't, Heat & P. 1st g. 5's. 1937	3,500,000	M & N	....		....	....	....
St. Paul City Ry. Cable con. g. 5's. 1937	2,480,000	J & J 15	109¼	Apr. 14,'03	....	....	....
" gtd. gold 5's 1937	1,138,000	J & J	112	Nov. 28,'99	....	....	....
Union Elevated (Chic.) 1st g. 5's. 1945	4,387,000	A & O	109½	Dec. 14,'99	....	....	....
United Railways of St. L. 1st g. 4's. 1934	28,292,000	J & J	84⅝	June 25,'03	....	....	....
United R. R. of San Fr. s. fd. 4's...1927	20,000,000	A & O	79⅝	Sept.30,'03	80	79	662,000
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	....		....	....	....
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....

MISCELLANEOUS BONDS.

NAME. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	September Sales. High.	September Sales. Low.	September Sales. Total.
Adams Express Co. col. tr. g. 4's. 1948	12,000,000	M & S	101½	Sept.30,'03	102½	101½	15,500
Am. Steamship Co. of W. Va. g. 5's 1920	5,452,000	M & N	100¾	June 4,'02	....	....	....
Bklyn. Ferry Co. of N.Y. 1st c. g. 5's. 1948	6,500,000	F & A	78	Mar. 26,'03	....	....	....
Chic. Junc. & St'k Y'ds col. g. 5's. 1915	10,000,000	J & J	111	Sept.30,'03	....	....	....
Der. Mac. & Ma. ld. gt. 3½'s sem. an. 1911	2,771,000	A & O	72	Sept.30,'03	80	72	165,000
Hackensack Water Co. 1st 4's....1952	3,000,000	J & J	....		....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g. 5's....1916	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's. 1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's.............1890-1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	89½	Sept.24,'03	91	89½	8,000
" registered..................		J & J	....		....	....	....
St. Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & D	....		....	....	....
St. Louis Terml. Cupples Station. & Property Co. 1st g 4½'s 5-20..1917	3,000,000	J & J	104	July 25,'03	....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	M & S	113½	Dec. 18,19'	....	. ..	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000				....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series D 4½'s..............1901-1916	1,000,000	J & J	....		....	....	....
" E 4's..................1907-1917	1,000,000	J & D	....		....	....	....
" F 4's..................1908-1918	1,000,000	M & S	....		....	....	....
" G 4's..................1903-1918	1,000,000	F & A	100	Mar. 15,19'	....	....	....
" H 4's..................1903-1918	1,000,000	M & N	....		....	....	....
" I 4's..................1904-1919	1,000,000	F & A	....		....	....	....
" J 4's..................1904-1919	1,000,000	M & N	....		....	....	....
" K 4's..................1905-1920	1,000,000	J & J	....		....	....	....
Small bonds..........................	....	......	....		....	....	....
INDUSTRIAL AND MFG. BONDS.							
Am. Cotton Oil deb. ext. 4½'s....1915	2,919,000	......	98⅞	Aug.14,'03	....	....	....
Am. Hide & Lea. Co. 1st s. f. 6's...1919	8,875,000	M & S	70	Sept.30,'03	80½	70	162,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & S	80	Sept.16,'03	80	80	1,000
Am. Thread Co., 1st coll. trust 4's. 1919	6,900,000	J & J	78	June 4,'03	....	....	....
Barney & Smith Car Co. 1st g. 6's. 1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's. 1951	157,378,200	F & A	52⅞	Sept.30,'03	57¼	51⅝	3,965,000
" registered..................		F & A	51½	Aug. 5,'03	....	....	....
Dis. Secur. Cor. con. 1st g. 5's....1927	13,879,000	A & O	61¼	Sept.30,'03	62	59	562,000
Dis. Co. of Am. coll. trust g 5's..1911	3,580,000	J & J	99	Sept.16,'03	99	99	10,000
Illinois Steel Co. debenture 5's...1910	1,400,000	J & J	99	Jan. 17,'99	....	....	....
" non. conv. deb. 5's......1910	7,000,000	A & O	100	May 2,'02	....	....	....
Internat'l Paper Co. 1st con. g 6's. 1918	9,400,000	F & A	104	Sept. 25,'03	104	103	5,000
Knick'r'ker Ice Co. (Chic) 1st g 5's. 1928	2,000,000	A & O	98	Feb. 24,'03	....	....	....
Lack. Steel Co., 1st con. g. 5's....1923	4,202,000	A & O	95	Sept.30,'03	97	95	19,000
Nat. Starch Mfg. Co., 1st g 6's..1920	2,924,000	J & J	90½	Sept.28,'03	90½	90	6,000
Nat. Starch. Co's fd. deb. g. 5's..1925	4,137,000	J & J	69	Sept.21,'03	70	69	27,000
Standard Rope & Twine 1st g. 6's. 1946	2,740,000	F & A	37⅞	Sept.24,03'	40	37⅞	7,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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MISCELLANEOUS BONDS—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	SEPTEMBER SALES. *High.*	SEPTEMBER SALES. *Low.*	SEPTEMBER SALES. *Total.*
Standard Rope & Twine inc. g. 5s.	1946	7,500,000		1⅛	Sept. 30, '03	4	1⅛	114,000
United Fruit Co., con. 5's	1911	8,794,000	M & S					
U. S. Env. Co. 1st sk. fd. g. 6's	1918	8,797,000	J & J					
U. S. Leather Co. 6% g s. fd deb.	1915	5,280,000	M & N	109⅛	Sept. 22, '03	110	108¾	46,000
U. S. Reduction & Refin. Co. 6's.	1931			79	Aug. 12, '03			
U. S. Shipbldg. 1st & fd g. 5's Ser. A.	1932	14,500,000	J & J	25⅛	July 21, '03			
" collat. and mge. 5's.	1932	10,000,000	F & A	91	Jan. 15, '03			
U. S. Steel Corp. col. tr. 2d gs. 5's	1963		M & N	69⅝	Sept. 30, '03	79⅝	67¾	14 442 000
" " " reg.	1963		M & N	70	Sept. 30, '03	79⅝	68¾	20,500
BONDS OF COAL AND IRON COS.								
Colo. C'l & I'n Devel. Co. gtd g. 5's.	1909	700,000	J & J	55	Nov. 2, 19'			
" Coupons off								
Colo. Fuel Co. gen. g. 6's	1919	640,000	M & N	112	Apr. 30, '03			
Col. Fuel & Iron Co. gen. sf g 5's.	1943	5,355,000	F & A	95	Sept. 30, '03	99⅛	90	32,000
" conv. deb. g. 5's	1911	} 14,068,000	F & A	76	Sept. 29, '03	79	76	312,000
" registered			F & A					
Continental Coal 1st s. f. gtd. 5's.	1952	2,750,000	F & A					
Grand Riv. Coal & Coke 1st g. 6's.	1919	949,000	A & O	115	June 23, '02			
Jeff. & Clearf. Coal & Ir. 1st g. 5's	1926	1,621,000	J & D	105⅛	Oct. 10, '98			
" 2d g. 5 s	1926	1,000,000	J & D	80	May 4, '97			
Kan. & Hoc. Coal & Coke 1st g. 5's	1951	2,750,000	J & J	105	Oct. 24, 19'			
Pleasant Valley Coal 1st g. s. f. 5s.	1928	1,162,000	J & J	106¼	Feb. 27, '02			
Roch & Pitts. Cl & Ir. Co. pur my 5's.	1946	1,0[illegible],000	M & N					
Sun. Creek Coal 1st sk. fund 6's.	1912	879,000	J & D					
Tenn. Coal, Iron & R.R. gen. 5's.	1951	3,000,000	J & J	91	July 31, '03			
" Tenn. div. 1st g. 6's	1917	1,193,000	A & O	102¾	Sept. 28, '03	102¾	102½	7,000
" Birmingh. div. 1st con. 6's	1917	3,650,000	J & J	103	Sept. 29, '03	104	103	9,000
Cahaba Coal M. Co., 1st gtd. g. 6's	1922	892,000	J & D	105	Feb. 10, 19'			
De Bardeleben C & I Co. gtd. g. 6's	1910	2,729,500	F & A	100	Aug. 14, '03			
Va. Iron, Coal & Coke, 1st g. 5's.	1949	6,953,000	M & S	73¾	Sept. 14, '03	74	73	33,000
Wheel L. E. & P. Cl Co. 1st g 5's.	1919	836,000	J & J	82	Jan. 15, 19'			
GAS & ELECTRIC LIGHT CO. BONDS.								
Atlanta Gas Light Co. 1st g. 5's.	1947	1,150,000	J & D					
B'klyn Union Gas Co. 1st con g. 5's.	1945	14,493,000	M & N	112¾	Sept. 30, '03	113	112¾	8,000
Buffalo Gas Co. 1st g. 5's	1947	5,900,000	A & O	74	June 24, '03			
Columbus Gas Co., 1st g. 5's	1932	1,215,000	J & J	104⅛	Jan. 28, '98			
Detroit City Gas Co. g. 5's	1923	5,606,000	J & J	93	Sept. 18, '03	94½	93½	16,000
Detroit Gas Co. 1st con. g. 5's	1918	381,000	F & A	105	June 2, '03			
Equitable Gas Light Co. of N. Y. 1st con. g. 5's	1932	3,500,000	M & S	102⅝	Feb. 19, '03			
Gas. & Elec. of Bergen Co. c. g. 5s.	1949	1,146,000	J & D	67	Oct. 2, '01			
Gen. Elec. Co. del. g. 3½'s	1942	2,049,400	F & A	84	Sept. 16, '03	84	84	25,000
Grand Rapids G. L. Co. 1st g. 5's.	1915	1,225,000	F & A	107¾	Dec. 17, 19'			
Hudson Co. Gas Co. 1st g. 5's	1949	9,180,000	M & N	105⅛	Aug. 31, '03			
Kansas City Mo. Gas Co. 1st g 5's.	1922	3,750,000	A & O					
Kings Co. Elec. L. & Power g. 5's.	1937	2,500,000	A & O					
" purchase money 6's	1997	5,010,000	J & J	117	Sept. 23, '03	117	117	1,000
Edison El. Ill. Bkln 1st con. g. 4's.	1939	4,275,000	J & J	93¼	May 29, '03			
Lac. Gas L't Co. of St. L. 1st g. 5's.	1919	} 10,000,000	Q F	103	Sept. 30, '03	104	103	13,000
" small bonds				97½	Nov. 1, '95			
Milwaukee Gas Light Co. 1st 4's.	1927	6,000,000	M & N	95	July 31, '02			
Newark Cons. Gas, con. g. 5's	1948	5,274,000	J & D					
N. Y. Gas EL. H & P Co 1st col tr g 5's.	1948	} 15,000,000	J & D	103⅛	Sept. 29, '03	103¾	103	181,000
" registered			J & D					
" purchase mny col tr g 4's.	1949	20,927,000	F & A	88¼	Sept. 30, '03	90½	88	78,000
Edison El. Illu. 1st conv. g. 5's.	1910	4,312,000	M & S	102	Sept. 26, '03	102	102	2,000
" 1st con. g. 5's	1995	2,156,000	J & J	114	Aug. 12, '03			
N. Y. & Qus. Elec. Lg. & P. 1st. c. g. 5's	1930	2,272,000	F & A	100	Sept. 15, '03	100	100	9,000
N. Y. & Richmond Gas Co. 1st g. 5's.	1921	1,000,000	M & N	102¾	Apr. 30, '03			
Paterson & Pas. G. & E. con. g. 5's.	1949	3,317,000	M & S					
Peop's Gas & C. Co. C. 1st g. g 6's.	1904	2,100,000	M & N	100	Aug. 25, '03			
" 2d gtd. g. 6's	1904	2,500,000	J & D	101¼	Sept. 19, '03	101¼	100½	18,000
" 1st con. g 6's	1943	4,900,000	A & O	117½	Sept. 30, '03	117½	117½	5,000
" refunding g. 5's	1947	} 2,500,000	M & S	105¼	Apr. 12, '03			
" refuding registered			M & S					
Chic. Gas Lt & Coke 1st gtd g. 5's.	1937	10,000,000	J & J	105	Sept. 9, '03	105	105	1,000
Con. Gas Co. Chic. 1st gtd. g. 5's.	1936	4,346,000	J & D	105	June 3, '03			
Eq. Gas & Fuel, Chic. 1st gtd. g. 6's.	1905	2,000,000	J & J	101½	Sept. 21, '03	101½	101½	5,000
Mutual Fuel Gas Co. 1st gtd. g. 5's.	1947	5,000,000	M & N	100	Sept. 14, '03	100	100	1,000
" registered								
Syracuse Lighting Co. 1st g. 5's.	1951	2,000,000	J & D					
Trenton Gas & Electric 1st g. 5's.	1949	1,500,000	M & S	109	Feb. 8, '01			
Utica Elec. L. & P. 1st s. f'd g. 5's.	1950	500,000	J & J					
Westchester Lighting Co. g. 5's.	1950	5,360,000	J & D					

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MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	SEPTEMBER SALES. *High*	SEPTEMBER SALES. *Low.*	SEPTEMBER SALES. *Total.*
TELEGRAPH AND TELEPHONE CO. BONDS.							
Am.Teleph.&Teleg.coll.trust.4's.1929	28,000,000	J & J	96½	Apr. 29,'03	....	....	....
Commercial Cable Co. 1st g. 4's.2397.	10,828,000	Q & J	100½	Apr. 8,'02	....	....	....
" registered....................		Q & J	100½	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.							
Erie Teleg. & Tel. col. tr. g s fd 5's.1926	3,905,000	J & J	109	Oct. 7,'99	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's.1918	2,000,000	M & N	114	Nov. 7,'02	....	....	....
" registered....................		M & N					
N. Y. & N. J. Tel. gen. g 5's.......1920	1,261,000	M & N	105¾	July 2,'03	....	....	....
Western Union col. tr. cur. 5's...1938	8,504,000	J & J	105	Aug. 19,'03	....	....	....
" fundg & real estate g.4½'s.1950	16,000,000	M & N	102½	Sept.30,'03	103⅛	102	59,000
Mutual Union Tel. s. fd. 6's....1911	1,957,000	M & N	107½	June23,'03	....	....	....
Northwestern Telegraph 7's...1904	1,250,000	J & J	104	May 9,'02	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME *Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1903. *High.*	YEAR 1903. *Low.*	SEPTEMBER SALES. *High.*	SEPTEMBER SALES. *Low.*	SEPTEMBER SALES. *Total.*
United States con. 2's registered...1930		Q J	109⅛	106	109⅛	109⅛	10,000
" con. 2's coupon............1930	515,411,050	Q J	108¾	106¼	108¾	108¾	2,000
" con. 2's reg. small bonds..1930		Q J	....	....	....	....	......
" con. 2's coupon small bds.1930		Q J	....	....	....	....	......
" 3's registered...........1908-18		Q F	108½	106¾	....	....	......
" 3's coupon.............1908-18	84,789,800	Q F	109⅛	106½	109⅛	108¼	12,000
" 3's small bonds reg.....1908-18		Q F	....	....	....	....	......
" 3's small bonds coupon.1908-18		Q F	108⅛	106⅛	....	....	......
" 4's registered..............1907	176,434,800	J A J&O	111½	109	110	109	14,000
" 4's coupon..................1907		J A J&O	112	109¼	111¾	111¾	4,000
" 4's registered..............1925	118,489,900	Q F	136⅛	134¼	135⅛	135	10,000
" 4's coupon..................1925		Q F	137½	136	....	....	......
" 5's registered..............1904	19,385,050	Q F	101½	101⅛	....	....	......
" 5's coupon..................1904		Q F	103⅜	101⅜	102¼	101⅛	2,300
District of Columbia 3-65's...........1924		F & A	121	121	....	....	......
" small bonds.....................	14,224,100	F & A	....	....	....	....	......
" registered.......................		F & A	....	....	....	....	......
STATE SECURITIES.							
Alabama Class A 4 and 5..............1906	6,859,900	J & J	....	....	....	....	......
" " small............	....	....	....	....	....	....	......
" Class B 5's...................1906	575,000	J & J	....	....	....	....	......
" Class C 4's...................1906	962,000	J & J	....	....	....	....	......
" currency funding 4's.......1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.							
Louisiana new con. 4's...............1914	10,752,800	J & J	106	106	....	....	......
" " small bonds..........			....	....	....	....	......
Missouri fdg. bonds due.........1894-1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's................1910	3,397,350	J & J					......
" small........................		J & J	....	....	....	....	......
" 6's............................1919	2,720,000	A & O	....	....	....	....	......
South Carolina 4½'s 20-40.............1933	4,392,500	J & J	....	....	....	....	......
Tennessee new settlement 3's........1913	6,681,000	J & J	97	94	94¾	94½	22,000
" registered.....................	6,079,000	J & J	....	....	....	....	......
" small bond.....................	362,200	J & J	....	....	....	....	......
Virginia fund debt 2-3's of...........1991	18,046,336	J & J	....	....	....	....	......
" registered.....................		J & J	....	....	....	....	......
" 6's deferred cts. Issue of 1871	3,974,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....	8,716,565	....	12	7⅛	....	....	......
FOREIGN GOVERNMENT SECURITIES.							
Frankfort-on-the-Main, Germany, bond loan 3½'s series 1......1901	14,776,000 (Marks.)	M & S	....	....	....	....	......
Four marks are equal to one dollar.							
Imperial Russian Gov. State 4% Rente....	2,810,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.							
Quebec 5's.............................1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's...................	....	Q J	98⅝	90½	....	....	......
Regular delivery in denominations of £100 and £200..........................	£22,245,920	......	....	....	....	....	......
Small bonds denominations of £20	....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.	....	......	....	....	....	....	......

BANKERS' OBITUARY RECORD.

Boreing.—Hon. Vincent Boreing, President of the First National Bank, London, Ky., died September 16, aged sixty-four years. He was a native of Tennessee, but moved to Kentucky when a boy. He served in the Civil War and was commissioned a first lieutenant on account of meritorious conduct. He was elected a county judge in 1886, and was serving his third term as a member of Congress when he died. He also served as department commander of the G. A. R. of Kentucky.

Carlisle.—David Carlisle, President of the Passaic (N. J.) National Bank, died September 10, aged fifty-nine years. From 1861 to 1869 he was engaged in a bank at Belfast, coming to America in the latter year. In 1873 he located at Passaic.

Clark.—D. L. Clark, a private banker doing business at Newton, Iowa, died September 21, aged eighty-one years.

Dye.—Mason M. Dye, Cashier of the banking firm of Dye Bros., of which he was also a member, died September 18.

Eldred.—Nelson Eldred, President of the City Bank, Battle Creek, Mich., died September 9.

Ferris.—A. F. Ferris, President of the First National Bank, Brainerd, Minn., died September 7. He had several times served as a member of the lower house of the Minnesota Legislature, and was a member of the State Senate at the time of his death.

Gillespie.—Arthur D. Gillespie, Cashier of the People's Savings Bank, Spencer, Iowa, died September 19, aged thirty years. He was associated with the Clay County Bank, at Spencer, until its consolidation with the First National Bank, at which time he became Cashier of the People's Bank, and continued to hold that position until his death.

Grist.—John R. Grist, Vice-President of the Second National Bank, Youngstown, Ohio, died September 16. He was born in Fayette county, Ohio, in 1824. In 1849 he went to California, but returned to Ohio and successfully engaged in stone-quarrying and manufacturing.

Hodgson.—Edward J. Hodgson, President of the Security Trust Co., St. Paul, Minn., died September 21. He was born on the Isle of Man, sixty-two years ago, removing in his youth to Illinois. Subsequently he located in Minnesota.

Jenkins.—Wm. L. Jenkins, who was President of the Bank of America, New York city, until 1888, died September 26, aged ninety-seven years. Mr. Jenkins was born in New York in 1806, and was descended from an old Quaker family. At the age of twenty-two he entered the commission house of Thomas W. Jenkins & Co., remaining in their employ for eleven years. In 1839 he formed the firm of Merrall & Jenkins, dry goods jobbers. This partnership was dissolved in 1845, and the following year Mr. Jenkins entered the Bank of America as a clerk. In 1858 he was made Cashier. In 1870 he was elected President of the bank. In 1886 he resigned the presidency, but he was a Vice-President for two years more.

Kirk.—Jesse A. Kirk, Vice-President of the National Bank of Rising Sun, Md., died September 20, in his eighty-second year. In 1846 he was appointed postmaster at Rising Sun, and in 1864 was elected to the Legislature. In 1866 and also in 1897 he was appointed school commissioner.

Mitchell.—Austin R. Mitchell, President of the West Newton (Mass.) Savings Bank from its establishment until 1902, and Vice-President of the First National Bank from its incorporation, died September 25. He was born at Cummington, Mass., in 1828.

Parmlee.—Col. James G. Parmlee, Vice-President of the Citizens' National Bank, Warren, Pa., died September 8. He was a veteran of the Civil War and had held a number of important local offices.

Radder.—E. W. Radder, Secretary and Treasurer of the Central Trust Co., Cleveland, Ohio, died August 25.

Reynolds.—Horatio N. Reynolds, who was for forty-five years President of the Wickford (R. I.) Savings Bank, died recently.

Stoddard.—Col. E. B. Stoddard, former mayor of Worcester, Mass., and President of the Quinsigamond National Bank and the Worcester Five Cents Savings Bank, died September 25 at Alfred, Me. In addition to his prominent connection with banking, he held numerous other important business and official positions. He had been a director of the Quinsigamond National Bank for more than half a century, and President of the bank for a number of years.

THE

BANKERS' MAGAZINE

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FIFTY-SEVENTH YEAR. NOVEMBER, 1903. VOLUME LXVII, No. 5.

THE PRESENT MEETING OF CONGRESS, is likely to prove of greater importance than now appears. Forecasts of what Congress will do as to this or that question are notoriously unreliable, but the questions likely to be discussed are vital to the welfare of the country, and the debates may take a course from which great popular excitement may be evolved.

The approach of the Presidential year will cause a desire to bend every issue for the political advantage of the two opposing parties. The tariff question, in which the relations of trade between this country and Cuba are involved, is the chief point at issue. Cuba in the leading-strings of the United States is dependent on the action of Congress for the direction of her future course. In her present situation she has found it impossible to raise the money to settle the bills of her soldiers who struggled for her independence. A settlement of the relations between the United States and Cuba seems almost impossible without annexation, and before any settlement is accomplished it is highly probable that the relations of the Government with all its outlying territory will have to be thoroughly discussed.

The labor and trust questions will also no doubt occupy some of the time of Congress, although the times do not yet seem to be ripe for any satisfactory settlement. The Panama canal treaty, of minor importance in reality, is yet one that may consume more time than it is worth.

The finances of the Government are in good condition. The Treas was never before so strong. The revenues are in excess of the expenditures, and the debt is decreasing.

There is really nothing that seems likely to impress Congress with the necessity of any financial measure, except perhaps some modification of the laws relating to the use of National banks as public depositories. It is not believed that there will be any action looking to any radical change in the present method of issuing currency by the banks. In fact, it would be unwise to take such action at present even if the discussions likely to arise in regard to Cuba and the Philippines and other matters mentioned did not occupy all the time there is to spare.

It is doubtless the desire of the Administration that Congress shall avoid branching out into discussions that will furnish political capital to its opponents. It may, however, be impossible to avoid some investigation of scandals which have arisen in some branches of the Administration.

THE MOVEMENT OF GOLD to and from this country is always a subject of interest to financiers. When the currency of the country was continually increasing from the coinage of silver dollars and the issue of silver certificates and also from the issue of Treasury notes for silver purchases, gold exportations were rightly looked upon as manifestations of the workings of the Gresham law. The paper money based on depreciated silver displaced gold, as the volume became greater than the requirements of business. Since further additions to the stock of silver coined and uncoined have been stopped by law, the aggregate volume of paper currency in any way based on credit has been fixed, except as to National bank notes. The bank notes are subject to some fluctuation with the movement of bond premiums up and down, but this fluctuation is not great and is further controlled by the provision of law limiting retirement of bank notes in any one month to $3,000,000. National bank notes tend to contraction. Periodically, when new issues of bonds have been made by the Government, or when Congress increases the limit of issue in proportion to the bonds, considerable increases in National bank notes have taken place. But when these artificial impulses have exerted their force a gradual contraction is sure to begin and continue until the bonds are withdrawn down to the minimum that the banks are forced to keep to retain their organization.

The amount of money required to do business in so large a territory as the United States is subject to great fluctuations, and the only money that can surely be depended on to meet these fluctuations is gold. It is plain since the volume of Government notes and bank notes has become fixed, that the stock of gold has increased. The country loses little by exportation. All through the last summer money rates in the eastern money markets have been well sustained; there has been no piling up of reserves.

This condition of things has been ascribed with some truth to the unusual prosperity of the country, and also to the great demand for speculative purpose. These are not the only causes, however. The country has grown, and while there has been an increasing demand for currency, the source of supply depended on in former years, viz., silver certificates, has been cut off. The banks which formerly at those seasons when business was inactive sent their surplus cash to swell the reserves of the eastern banks, have had no surplus to send. It has been noticed that the interior banks have held larger reserves and the claim has been made that these larger reserves were carried so as to render the banks more independent of the aid of the money centers, as if there had been some change of policy, and the money centers were beginning to lose their grip. But this does not seem to be the exact truth. The western banks, if they had more cash than they needed, would do with it as they have always done, send it to the East. If the volume of paper currency had been increasing as it was while the silver purchases were progressing, there would have been no lack of surplus cash to send to the money centers.

After the repeal of the silver-purchase law, there was until the last year or two a redundancy of currency. This redundance was the result of the great accumulation of silver from 1878 to 1893. The business of the country increased from 1896 to 1900 so as to virtually absorb the supply. Another addition was made in 1900 by the law permitting National banks to receive notes equal to 100 per cent. of bonds deposited. The great prosperity and business enterprise did not find this any too much. The present year, while prosperity still continued, the National bank note supply began to retrograde. The result has been apparently that for the first time in many years the supply of money has not exceeded the continuous wants of business. The higher range of prices has also, doubtless, made a larger demand for cash resources.

It is remarkable that there has not been a demand for larger issues of some kind, as was often the case with larger proportionate supplies of cash, unequally distributed. The confidence in the present currency of the country, based on the adoption of the gold standard, is an aid to its wider and more equable distribution. When silver certificates and Treasury notes were increasing from week to week, the interior banks sought to lessen the risk by exchanging them with the banks in the money centers for accounts which stood a better chance of being paid in gold. Since the risk has been reduced the interior banks hold larger reserves than they would otherwise with the same amount of business.

The only form of money with which defective reserves are now likely to be reinforced is gold. This gold comes either from the mines or it must be imported from abroad. The natural basis of gold importations is the trade balance of the country. If this is favorable, as is now believed, gold will be imported; but even if it is unfavorable, gold will be imported even if it has to be borrowed. But whether it comes in payment for products and manufactures or is borrowed on the strength of future products and manufactures, makes a vast difference to those who seek to ascertain the real business outlook.

The fact that gold can be borrowed on private security shows an advance in condition over the time when gold to replenish reserves could only be obtained on Government bods. The year 1903, now drawing to a close, will not from present developments and indications be as fortunate as the early expectations indicated. But the year would probably have witnessed still less fortunate conditions if the currency of the country had been as inflated and discredited as it was ten years since. The speculative failures in midsummer would have spread disaster throughout the whole business community had there not been a feeling of unshakable confidence in the currency. Whatever might be the matter with undigested securities, there was no loss or danger to be anticipated from the money in which the titles to property of every form were to be paid.

There may be signs that the quantity of paper currency outstanding is now all in active demand, and that new supplies could be absorbed, but it is better to obtain these new supplies when absolutely needed in gold going into circulation in the form of gold certificates. The gold certificates are in fact now the only form of money that shows any important increase from month to month. Gold in this form becomes an important index of the relation between the totality of business demand and the stock of money in circulation. When these certificates begin to diminish in volume it will be time to say that the business demand is decreasing.

THE BANK MONEY ORDER in competition with the express and postal money orders was the subject of an interesting address by JOSEPH CHAPMAN, Cashier of the Northwestern National Bank, of Minneapolis, Minn., at the last annual convention of the New York State Bankers' Association. Here is a field which the banks might enter with great profit to themselves. In fact, they perform already a portion of the service to the general public which causes the postal and express money orders to be so desirable a means of remitting money. The banks are constantly called upon to cash these orders, and they do so generally for their customers without making any charge, thus adding to the efficiency of their competitors, the express companies and the Government.

The source of profit to both the Government and the express company is not only the charge made for the orders, but some gain is effected by the failure to present many orders for payment, and in the case of the express company at least from the large sums which are left for more or less time in its hands and on which interest may be obtained when deposited with banks. Everything seems to point to the conclusion that the banks, if they could get this business, could afford to do it more cheaply than the express companies and perhaps than the post office, although the Government would probably continue to compete even at a loss to itself. If the banks, however, could put in operation (and this seems to be in their power) a cheaper and above all a more convenient way of remitting the people's money in small sums, there is no doubt that they would after a time absorb the bulk of the business.

For those who have bank accounts the banks now afford the easiest and most convenient method of making remittance, viz., by personal check. No one who has a bank account would for the purpose of paying bills ever go to the trouble of obtaining an express or post office money order. The use of these personal checks for this purpose has assumed great proportions. But the number of those who keep bank accounts is small compared with those who do not, and it is from the latter that the post office and the express companies draw their business.

The difficulty that confronts the banks in competing is the fact that each bank is an independent unit, not necessarily connected with any other, and that there would have to be a general understanding among the banks as to willingness to pay the orders drawn by each other and a common place of final payment. In respect to its money orders the express company is like a bank with branches, and it is much the same with the post office.

As suggested by Mr. Chapman, it seems probable that the greatest difficulty is that of making the general public acquainted with the fact, and it is a fact, that they can be more cheaply and conveniently accommodated by a bank than by either the express companies or the post office. The fact that banks are willing to undertake this business needs to be advertised, however, and impressed on the minds of the people and also that they will do it more cheaply than their present competitors. Such advertising would pay, not only in securing this remittance business, but it would have a secondary effect in inducing many of those who come to the banks to make remittances to open bank accounts, and to realize the further convenience they would enjoy in dealing with banks.

The value of small accounts seems to have been too little appreciated by the banks generally, although our banks afford greater facilities for such accounts than those of most other countries.

This subject is one well worth studying by bankers generally. As Mr. CHAPMAN says, and as has been heretofore remarked in this MAGAZINE, there seems to be little to be gained by trying to secure laws to tax the express companies out of business. It is evident that at present their success lies in the fact that they furnish facilities which the banks could furnish at cheaper rates, but which the banks so far have neglected to furnish. Banking has been generally so prosperous that bankers, like the law, have not cared for small things. As competition increases and they look around more, they find some sources of profit which they have heretofore despised gathered up by others. But it is not too late to remedy this neglect, although it will cost more than if the matter had been taken up sooner.

IF NATIONAL BANK NOTES WERE AVAILABLE FOR RESERVE, would the banks hold any larger reserves than they do now, or would their capacity for accommodating the business public be increased? The machinery of a modern bank affords to the general public a method of transferring and exchanging almost all kinds of property with the use of a minimum of that form of money, which may be styled currency, viz., coin and certificates for coin, bank and Government notes. This currency may pass current until it is worn out. The banks effect the bulk of the transfers by means of their loans and deposit accounts. The holder of any form of property which the banks will take as security obtains a loan upon it, the proceeds of which come to him in the form of a deposit account. Armed with this account the depositor is able to issue temporary currency in the form of checks and drafts, which by means of other banking machinery are paid and liquidated.

The banks are limited in the increase of their loans and deposit accounts by the requirement of holding a cash reserve. It is an old conservative banking notion that even if not used every day a reserve of cash should be always kept on hand. Even conservative bankers would differ as to the amount of such reserve, measured as a percentage of deposits that should be kept; but to prevent the inconveniences of this disagreement, the National Banking Law fixes this percentage for the different classes of banks. The banks of the central reserve cities are required to keep twenty-five per cent. of deposits all in cash (coin and certificates or legal tenders) on hand. Banks of reserve cities (class 2) must keep 12½ per cent. of deposits in legal-tender cash on hand and may keep 12½ per cent. in cash with a reserve agent. Other National banks are required to keep on hand six per cent of deposits, nine per cent. with a reserve agent. It is not necessary to specify further as to these reserves of National banks, as their amount and the conditions under which they are held are well understood.

When a bank's deposits subject to reserve are over four times the reserve held in case of banks in reserve cities, these banks must stop granting loans until the reserves are again up to the required limit. In case of other banks outside of reserve cities, loans must stop when their total reserve, in bank or out, becomes less than fifteen per cent. of deposits.

The amount of the reserve, in the case of National banks at least, determines the activity or rest of the banking machinery. This reserve cash must be either legal tender, that is coin or legal-tender notes, or gold and silver certificates; National bank notes are not available for this purpose.

Sound reasons may be advanced why National bank notes could not be used with as much safety as part or the whole of a reserve fund as the forms of money now available for this purpose, and furthermore it is not believed that the power to use National bank notes as reserves in addition to the present legal tender and other money would have any tendency to increase the reserves held or prevent these reserves from falling less frequently below the legal limit.

The banks, from the cash coming into their hands, sort out reserve from other cash, and use the latter first to meet payments. The only effect in most cases of putting National bank notes on the same footing as legal-tender notes and coin and certificates would be to relieve the banks of the necessity of sorting their cash and render them more indifferent as to the money first paid out. The amount held as reserve would be no greater than it is now.

About the only incentive that now exists for the redemption of National bank notes is that legal-tender notes may be obtained to strengthen the reserves. The banks in the eastern money centers hold very few National bank notes in proportion to other cash when reserves run low, because they send them for redemption in legals as soon as they can do so. Those they have on hand would cut no figure in maintaining the reserve on any given day.

The reserve limit, at whatever figure it is fixed, acts as a brake on the banking machinery. If Congress, when the National Bank Act was drawn, had fixed the New York city reserves at thirty per cent. instead of twenty-five, the alarm that is now excited when the twenty-five per cent. limit is passed would be felt just the same at thirty per cent. It is a matter of training the public mind to look out for something dangerous so that it may be on its guard. The \$100,000,000 gold reserve is a case in point. The public were prepared to be panic-stricken when the gold reserve got below \$100,000,000, although there was no precedent or logical proof that danger would arise when this limit of reserve was reached any more than at ninety-five millions or one hundred and five. Now that the limit has increased to $150,000,000, it may be expected that apprehensions just as poignant will arise in the public mind when the surplus above $150,000,000 disappears, as those suffered when the surplus over $100,000,000 disappeared.

The fact is that it is necessary in these matters to set up certain arbitrary measures by which the mind may steady itself. Just as the arbitrary selection of standard weights and measures is dictated by convenience, so certain points are selected as possible danger points in banking and finance beyond which it is decreed by a sort of general consent we must not pass. On this side safety, on that danger. The public become educated to this and the moral effect is wholesome. Confidence may be regained when the right side of the danger point is reached.

There is not, therefore, much advantage in changing in any way the reserve limits to which during forty or more years the financial public in this country have become accustomed. Complaints are heard from western bankers that the conditions of the New York money market have more influence upon the nerves of the financial public throughout the entire country than is warranted by actual conditions. The strength of banks is dependent on the changes in public confidence. The New York money market has so long been the switchboard from which the currents of confidence have been directed, that any change must of necessity be accomplished if at all very slowly. The giving of the legal-tender quality to National bank notes so that they may be counted as reserves would not, it is believed, produce any appreciable effect upon the amount of reserve held, and it would undoubtedly remove the greatest motive which now exists for the redemption of these notes, producing the only elasticity now existing in this kind of currency.

THE EMBARRASSMENT OF RICH MEN has been the feature of the stock panic of the year. This has been due for one thing to the lack of proper combination among them. When a man becomes so rich that he can count up his stocks and bonds and other properties in the millions, he naturally becomes independent in his own estimation, and this independence is the highest enjoyment he can obtain from his superior wealth.

The ambition of the promoter of great combinations is to obtain the support of the men of great fortunes. He could expect to do this only by offering unusual profits. The success of the great consolidations in steel, in ships, and in railroads depended on securing the co-operation of a syndicate of wealthy underwriters. To secure such a syndicate each member had to be convinced that he would receive an unusual bonus. There was apparently no real community of interest among the members of these syndicates, in the same sense that there is among the stockholders of an ordinary corporation. They had no way of joining together and agreeing as to the management of the properties represented by the securities they were becoming sponsors for. All this was in the hands of the promoters and financiers who were engineering the combination. The underwriters depended on the sagacity and financial skill of the men who solicited and undertook to reward their support. Many of the rich men who became underwriters seem to have had an overweening trust in their own strength, a childlike confidence in those who sought their assistance. This confidence can only be explained on the ground that their judgment was impaired by the magnitude of the benefits promised. Confidence in their own strength was natural to each rich man. Possessing millions in securities of various classes, he had always been able to convert them them into cash when he required it, either by sale or by using them as security for loans. He had no experience of a situation when all the rich men at once entered the money market in search of accommodation, nor was it easily to be foreseen that such a condition would arise. The steps which led up to it were gradual.

The first syndicates were successful; the awards held out materialized according to promise. The advantages of becoming underwriters grew upon wealthy men. It was only a matter of lending their names and receiving a bonus in securities which could at once be turned over to the investing public for cash.

It has been remarked that the whole process by which the millionaires were entrapped bears a remarkable similarity to that employed by FERDINAND WARD with a smaller type of victim. Elephants can be trapped as well as rats, and except the different magnitude of the construction required, the principle involved is the same. Just as some of the sufferers by the WARD failure had their eyes open to the nature of the business but hoped to get in and out before the crash came, doubtless among these rich men there have been some who engaged in these underwriting schemes who were caught simply because they thought the catastrophe would not come about so soon.

It has been remarked above that there was little community of interest among the underwriters. Each one stood on his own basis, and looked for profits not to his fellow underwriters but to the financiers and promoters who had drawn them together. Each appears to have had full confidence in his ability to take care of the stock which he underwrote regardless of anything his fellow underwriters might be expected to do. In fact, it might appear to a millionaire underwriter that independence of all the others, retaining the right to deal with the stock allotted to him in his own way, was a valuable asset. His confidence in himself and his previous triumphant progress in monetary dealings would naturally lead him to so regard it. But just here was the weak point. If these millionaire underwriters had appointed a committee to handle all their expected holdings, had combined among themselves in fact, it is doubtful whether the panic would have occurred when it did if at all. But each was either confident of his own strength, or fearful that a confession of doubt to his associate underwriters would be regarded as a confession of individual weakness. That there were some among these underwriters who had their doubts became evident by the sequel. When these rich men began to scatter for the summer months to their country places or travelling tours and on their yachts, it might be expected that there would be a period of comparative quiet in the money market. Panics during the summer months are unusual. They either occur in the spring when financiers are settling up their affairs for the summer rest, or in the fall when they return reinvigorated for the fray. But it did not happen so this year. Some of these rich men were in doubt as to the value of their holdings, or they found themselves in too many syndicates, or they had better offers. Apparently some of them without consulting their brother underwriters, each perhaps thinking he had the advantage of being the only seller, tried the value of the securities he had received by the test of the market. The result, as is known, was disastrous, and really suicidal for those who started these sales, and even more disastrous for their associate underwriters who had not yet attempted sales. As the securities underwritten began to fall, all the underwriters came in to sustain them. So many rich men borrowing at once required sums which strained the market. To obtain money under such circumstances the best securities had to be offered, and as a consequence the prices of all securities fell. All of these rich men were bidding against each other. Such combinations as were effected for mutual support had to be made under every disadvantage.

It is not difficult to see now if the men who did the underwriting had in advance agreed to direct their sales on a common basis, had made provision to watch the markets and gradually feed out their combined holdings at such times and in such amounts as the market would bear, and if they had kept in touch with each other as to new underwritings, and exercised the same vigilance as to the general situation as they usually do in other matters, that this panic need never have occurred.

The properties involved have all been weakened by the dropping in their securities, and as a consequence their dividend-paying power has been lessened. Money that was needed for thousands of lesser enterprises throughout the country has been diverted and confidence has been impaired. The usual flow of cash has been very much lessened. Great wealth of investment implies a lessening of the power to convert into cash as the proportion of invested wealth to cash increases. The greater the number of millionaires whose wealth is chiefly in securities, the greater the chance that they will compete with each other for ready money.

The way out is not through any speculative manipulation. The public will in time undoubtedly absorb all securities that can be depended upon to return reasonable incomes. When time sufficient has elapsed to make it clear what dividends and interest the depressed securities will pay with certainty, then investors will begin to calculate what price can be afforded for them. The way out of this trouble is to take care of the properties on which securities are based and to increase their income-paying power.

THE EFFECT OF SUBSTITUTING AN ASSET CURRENCY in the place of the present National bank currency secured by United States bonds, upon the market price of these obligations of the Government, has been but slightly studied. The advocates and supporters of an asset currency have concentrated their energies on the task of demonstrating, first, the safety of these credit notes, and, second, the superior adaptability of these notes to meet varying business conditions. They have not considered with the same careful scrutiny the effect of depriving the bonds of the Government of this important security function, which has kept up their market price, and has been of the utmost service to the Government in its refunding operations and in securing new loans at low rates of interest.

The credit of the Government underlies the monetary system of the United States to a greater extent than the credit of Great Britain supports the monetary system of that country. In fact, in no country in the world does the money in circulation depend to such a degree on the national indebtedness and its healthful credit in the open market. It is unnecessary to consider whether this is an advantage or otherwise from a business standpoint. It is certain that it has been one of the factors that has placed the national credit of this country in the very foremost rank. To abolish this connection between the Government and the banking interests will most certainly cause a falling off in the market prices of all Government securities.

It is customary to speak of two per cent. consols of 1930 as the bonds which would show this effect most conspicuously. The possibility of issuing these bonds for refunding purposes was dependent upon the demand for them as a basis of circulation. But while the twos would no doubt show the most conspicuous decline in market value, were they no longer used as a basis of bank circulation, all other United States securities would be proportionately affected in the same way.

It is therefore easy to see that if United Stated bonds were deprived of their function of security for bank note circulation, both the banks and the Government would be losers. The banks would lose by the amount of the depreciation of the market value of the bonds held by them and the Government would lose by the reduction of its borrowing power. If it becomes necessary to place the bonds for the Panama canal on the market, does any one hope that they could be sold at par unless the rate of interest be raised ?

As to the vested rights of the National banks being of such a character that the courts would protect them, and grant damages, in case Congress should substitute an asset currency, and thus withdraw an element of value from the bonds, it is difficult to see that there is any thing in this view. There has been very slight pressure brought to bear on the banks to oblige them to issue bank notes on bonds. As a matter of fact, the only bonds the National banks are required to purchase and hold was the minimum amount of fifty thousand dollars, or less in the case of banks with a capital of less than $200,000. It was the profit on the circulation and the chance of a growing premium on the bonds that induced banks to hold more than the minimum amount. The banks had the same opportunity to judge of the value of the United States bonds as investments under impending and existing conditions as any investor has in regard to any security.

But while there may be no obligation on the part of Congress to protect the interest of the banks, or to hesitate on this account to substitute an asset currency, yet it is palpable that the National banks will use their influence to prevent action that will lessen the values of their various bond holdings. Whether the desires of the banks will influence the action of Congress may be a question, but it is so obvious that a departure from the policy of the last forty years would have so serious an influence on the borrowing power of the Government, that Congress will hesitate before a step of such importance is taken.

There is, of course, one point of view from which it might be argued that the Government would be the gainer if steps were taken to reduce the market value of the bonds. If the bonds were no longer used as security for circulation, and if an asset currency were substituted for the present secured bank note, the Government could more easily purchase its bonds for the sinking fund and reduce the public debt more rapidly. Whether this advantage would outweigh the disadvantage of being compelled to pay higher rates of interest upon future loans, is a question for the consideration of Congress.

If it were certain that there would never again arise those contingencies which make new loans necessary, then it might be advisable to shape legislation so that the existing debt might be paid off as rapidly and cheaply as possible. The breaking out of the Spanish war and its vast consequences in bringing the United States into more direct contact with foreign powers—of which half the possibilities are not yet disclosed even to the most speculative—forbids the hope that this nation may not be called upon to borrow in the future as it has in the past.

It has been previously pointed out in the MAGAZINE that both the banks and the Government would be subjected to losses and disadvantages through the lessening of the employment of United States bonds as security by the substitution of an asset currency. This aspect of the subject is beginning now to attract the attention of the public, and the more it is reflected upon the more clearly the difficulty of effecting any change will be perceived.

The discussion of the merits of an asset currency, which has been progressing for a number of years in financial and political circles, has brought out many points. Is such a currency, even if it should be as safe and elastic as is claimed by its most pronounced advocates, really so indispensable as has been represented? The great accumulation of gold in the United States and its use in the convenient form of gold certificates has given the country up to the present date a sufficient expansion to meet all demands, and there is no reason to believe that this increase of gold will not continue, if the natural demand for more currency is not otherwise supplied. The present system of bank currency, secured by bonds, is a check on the danger of a possibly inflated paper currency, that would sooner or later put a stop to the inflow of gold. It not only stands thus as a bar to possible inflation, but the use of Government bonds as security sustains and increases the borrowing power of the Government both directly and indirectly. Indirectly it tends to enhance the value of other securities, especially State and municipal. A change of the bank currency system from one based on specific security to one in which the security is more vague and indefinite may produce serious effects not only on National credit, but upon the general business credit of the country.

THE NATIONAL BANK NOTES held in the Treasury cash show a tendency to increase in amount, the average being about fifteen millions at all times during the year. This does not seem to be a very large amount to be in the Treasury out of a grand total of such notes of over 420 millions. The Treasury is, however, the only redemption agency of the National banks and such redemption as there is of these notes goes on under its auspices.

The parties that send in these notes for redemption are moved to do so either by the mutilated or worn condition of the notes or because they desire to procure gold or legal tenders in the place of them. These motives are sufficiently strong to bring about a redemption of about one-quarter of the whole volume of National bank currency annually. The notes when presented at the Treasury are paid by the Government, and are then sorted so that the proper amount may be charged to the five per cent. redemption account each bank is required by law to keep with the Treasurer. The aggregate of the five per cent. redemption fund is as a rule more than sufficient to meet all current redemptions. In fact, on the $379,515,824 outstanding National bank circulation on September 30, the five per cent. would be over $18,000,000. This fund as well as the legal-tenders (gold and notes), which banks retiring circulation have deposited, does not appear as a special fund on the Treasury accounts but forms a part of the general cash balance. The Treasury appears to use its own funds to redeem these notes, but in the case of bank notes based on bonded security it uses a fund that is supplied and replenished by the banks. A bank, theoretically, is supposed to keep its five per cent. fund intact at all times. When its notes to the amount of five hundred dollars have been redeemed by the Treasurer, the bank is called upon to make good that amount, by depositing five hundred dollars in its five per cent. fund. Sometimes, as a matter of fact, the bank may get behind with these remittances, and the Treasury may still be protected. Thus the five per cent. fund of a bank with $100,000 circulation outstanding is $5,000. A redemption of $500 of its bills will reduce the fund to $4,500. Strictly speaking, the Treasurer should retain the five hundred in bank bills he has redeemed, and not permit them to be returned to the bank either in the form of old or new notes until the bank sends on $500 in gold or other legal tender to make good the five per cent. fund.

Sometimes the notes are sent back before the five per cent. fund is made good, and in this way the fund may occasionally be greatly reduced or perhaps wiped out before the bank re-establishes it. If in former years the banks had been permitted to become careless in remitting the installments necessary to keep the five per cent. fund intact, and the Treasurer should suddenly become more severe, the first effect would be an accumulation of bank notes in the hands of the Treasurer that he refuses to remit until the banks send in legal tenders to fill up the five per cent. fund. It is, of course, a convenience to a bank to get its notes back for reissue before it has to remit, as it thus suffers no reduction of its available cash. By being indulgent a

Secretary of the Treasury may thus keep from fifteen to twenty millions in circulation that might otherwise be locked up, nor would he run any risk as long as the five per cent. fund of any given bank was not really exhausted. But this is not exact enforcement of the letter of the law. It may be conceived that a Secretary of the Treasury, who, having been a banker, looked at transactions of this kind from a banker's standpoint, would be more lenient to the banks, so long as as the security was intact, than a Secretary who looked merely at the letter of the law.

The reason why so much larger amounts of National bank notes are retained in the Treasury under Secretary SHAW than under Mr. GAGE, his predecessor, appears therefore to be that Mr. SHAW is more strict in enforcing remittances before notes are returned to the banks. Yet a strict interpretation of this law, in regard to the five per cent. redemption fund, seems to bring out an absurdity. The law provides that each bank shall keep at all times in the Treasury a fund equal to five per cent. of its outstanding circulation. What is this fund for? Naturally, as it is called a redemption fund, it must be for the redemption of the bank's notes. Yet further provision of law strictly interpreted makes it impossible to use this fund for the intended purpose. When five hundred dollars of the bank's notes are redeemed out of the fund, the bank cannot have these notes redeemed with its own money, until it has sent on five hundred dollars to make the five per cent. fund good. This fund, therefore, serves no purpose under such an interpretation. The reasonable view of the whole law is that the fund is to be used as redemptions are made, and that the drafts on the fund are to be supplied by remittances from the bank; as long as the fund lasts, the notes redeemed should be restored to the bank for reissue. When the bank fails to remit to resupply the fund, then the notes redeemed after the fund is exhausted should be held as security. It is somewhat amusing to see Secretary SHAW criticized for a condition which results from a strict interpretation of law.

But though the real state of the case may be misunderstood, it is natural to deplore a tendency to a blockade more or less complete of the narrow limits of expansion and contraction of National bank notes in response to certain business demands. So much is said about currency elasticity that it is sad that the only exhibition of it that we are favored with under our monetary system should be rudely circumscribed. It is probable, however, that a stricter interpretation of the law was induced by the conduct of a few banks that have been remiss or dilatory in making remittances when required to do so. But the proper way to deal with these is to enforce the proper legal penalty against them. All the banks should not be made to suffer from the remissness of a few.

A FALL IN THE PRICES OF MATERIALS such as seems imminent will not be an unmitigated evil. The alarm that has been caused by the misfortunes of the stock market very naturally has brought about a pause in many enterprises and a desire for retrenchment. Every corporation and business concern will no doubt prepare itself for possible trouble. But while such a pause is wise, the result of a careful examination will, it is fully believed, be reassuring rather than otherwise, and confidence will because of it be restored more rapidly from the effects of the shock it has received. Retrenchment, however, will at first result in a falling off of orders and the accumulation of material must result in lower prices. But this reduction of the prices of material will shortly give a new start to enterprises that have been delayed by the high prices. A period of prosperity does not pass away all at once. It requires more than one shock like that of last summer to overturn so luxuriant a growth of business as has been enjoyed during the last five years. Nor is it necessary that the experience of last summer should be repeated. Bad as the effect of the disclosure of reckless and unwise financial transactions has been, the effect was only an indirect one on the general business. Perhaps it will teach a lesson that will be worth all it has cost. The prosperity period beginning in 1880 survived the panics of 1882 and the shock of the Baring failure in 1890. It survived the constant drag of the silver purchase legislation and only finally closed in 1893 on account of the distrust inspired by the condition of the currency. The great difference between that period and the present one, which commenced after 1896, is that the currency of the country is now on a much sounder basis and can hardly cause additional distrust when credit in certain directions seems overstrained.

THE CONVENTION OF THE AMERICAN BANKERS' ASSOCIATION, held at San Francisco last month, seems to have been successful in every respect. All the delegates were highly pleased with California in general and with San Francisco in particular. Nothing was left undone by the bankers of San Francisco, and of several other cities in the State, to make the visit of their guests a memorable one.

Only good can result from these yearly meetings of the bankers in different parts of the country. Aside from the benefits derived from the papers and addresses, the mingling of these representative business men from all sections of the United States is productive of great good to all concerned. The beneficial influences of the conventions are growing year by year.

We present a full report of the convention in this number, but must defer comment on the proceedings until next month.

GOLD CERTIFICATES AND OTHER FORMS OF PAPER CURRENCY.

The gold certificates in circulation, according to the Treasury statement of October 1, amounted to $394,097,659, but the whole amount issued, including those held by the Treasury, as shown by the debt statement of the same date, was $420,487,869. The gold certificates, therefore, exceed the legal-tender notes, including in the latter the Treasury notes of 1890, by $56,308,-853; they exceed the National bank notes outstanding by $61,334; they are less than the silver certificates by $44,227,131. The paper currency now available for use is $1,669,808,420, divided as follows:

Silver certificates	$464,715,000
Gold certificates	420,487,869
National bank notes	420,426,535
Legal tenders including Treasury notes	364,179,016
Total	$1,669,808,420

Some forty millions of National bank notes are in process of retirement, but the lawful money deposited to secure these notes not being kept as a special fund, but being included in the general cash in the Treasury, cannot be taken as diminishing the total given above.

The paper currency of the country may be roughly described as consisting of four classes, with one-quarter of the total amount in each class. The silver certificates are protected by an equal amount in silver dollars; the gold certificates represent an amount of gold equal to their face; the legal tenders are protected by a gold reserve of over forty per cent. of their aggregate amount; the National bank notes are protected by United States bonds, by the general reserves of the banks, and finally, in addition, are a first lien on all the assets of the banks.

Estimating the silver dollars at their present bullion value in gold and adding this to the gold actually in the Treasury on October 1, the total gold reserve in the Treasury, supposing the Treasury to be liable for all this paper currency, is over fifty per cent. Compared with the holdings of gold by European banks, which in their own countries hold the public reserves in a manner somewhat analogous to that in which the United States Treasury holds the public reserves in the United States, the gold holdings of the Treasury exceed those of the bank or banks of any one country, and are equal to more than one-third of the holdings of all these banks together. The silver held by the United States Treasury is very nearly equal to the silver held by all the European banks.

It is plain, therefore, that this country has at least its fair share of the metallic money held as reserves. Considering the European banks as a whole it is also evident that they are using legal-tender silver as a reserve to an extent that encourages the view that the legal-tender silver money of the United States ought not to be looked upon with any present apprehension, either at home or abroad.

Gold certificates as a financial device have proved themselves a very happy one; in fact, the happiest that has yet been devised to strengthen the financial system of the country without too much interfering with existing conditions. The present strong condition of the Treasury is largely due to them. Although the recognition of the gold standard by the act of 1900 paved the way for their extensive use, yet the gold certificate has been the mechanism by which the principle recognized by that act has been practically enforced.

Financial experts are recognizing more and more that conditions brought about by bad expedients and laws cannot safely be swept away at once. The old and faulty system cannot be cleared away and a brand-new and more perfect system substituted for it, as an old house might be torn down from cellar to roof tree and a new one built in its place. Finance is in all its parts a continuing function of modern life. The day of the individual genius with his unexceptionable plan for radical reform of the currency has gone by. The monetary laws of the United States, and of the separate States, had gradually built up a monetary and banking system which prior to the act of 1900 has been with some justice described as a thing of shreds and patches. Good and bad principles were inextricably mixed in the system. To remove any part was to run the risk of destroying the whole.

The mint act of 1873, more popularly known as the crime of 1873, by its early recognition of the gold standard, as the necessary standard of account, was the chief bulwark that stood between the monetary system and utter confusion while the contest was raging which resulted in the confirming law of 1900.

Gold certificates were early authorized, but their use when the issue of silver dollars was progressing threatening gold redemption of the legal notes was a menace to the gold reserve. The act of 1882 provided that the issue of gold certificates should cease when the gold reserve fell below $100,000,000. While the maintenance of the gold standard was in doubt, and the apprehension that gold might rise to a premium had a just basis, the temptation to redeem legal tenders and take out gold certificates was strong. The certificates added facility to the absorption by the public of the gold reserve. When in 1900 ample provision was made for the maintenance of the gold reserve on legal tenders, this action, together with the abandonment of silver purchases, removed the danger from the issue of gold certificates, and since 1900 they have been the means of accumulating and retaining gold in the country.

The gathering of a great gold reserve, both by the Treasury and the banks, has added strength to every part of the heterogeneous currency system. The gold not only protects the notes it is specifically supposed to represent, but the mass of it also tends to protect indirectly all the rest of the paper currency whether based on silver or on the securities deposited by the banks. This indirect protection gives a uniformity of value to all the currency, and cures to a great extent the fault of lack of uniformity in the principles on which these different kinds of currency are issued. The same result is indirectly obtained that could only be directly reached by abolishing the present monetary laws and substituting a new and uniform system. This indirect method has the advantage of not shocking prejudice or creating that alarm which is invariably aroused by sweeping changes in monetary laws. The arguments founded on the diversity and contradictory principles on which the present classes of paper money were issued lose some of their force, as the public begins more and more to realize that the gold standard and the accumulating gold reserve necessarily throw their protection to an almost equal degree over all. There is not, under present circumstances, the same motive or necessity for the retirement of legal-tender notes that existed when they were the first and only means of withdrawing gold. The silver certificates and silver dollars are less and less a menace as the mass of gold certificates increases, for every one recognizes that when gold is wanted the gold certificates and legal-tender notes must first be exhausted before any one will seek to test the gold value of the silver dollar or silver certificate.

While, therefore, there is no present danger to be apprehended either from the silver or from the legal tenders, considering the past costly experiences with these two forms of money, and especially in view of the strong position of the Treasury, the matter of their proper adjustment should not be postponed to some future time, when under the stress of financial crisis they may again seriously threaten the stability of our monetary system.

A WALL STREET TRIBUTE TO CHICAGO.—The banks and trust companies of Chicago are entitled to credit for one thing which has not received the attention it deserves in this community.

These institutions have absolutely held aloof from "syndicate" operations, and have in the main confined themselves to legitimate banking on the soundest possible lines upon which banking can be conducted. They have continued to fulfill their office to the commercial community at large by lending money on grain, provisions, etc.—the best collateral on earth—and on stock exchange collateral as it could be done to advantage from time to time, without contracting facilities to merchants and manufacturers.

The result is that the Chicago banking situation to-day is sound to the core at a time when the sins of promotion and "syndicate underwriting" are coming to light at other centers.

The Chicago banks and trust companies possibly did not make as much money for their stockholders in the "boom" times as did banks elsewhere, but they are not now loaded up with a mass of undigested and indigestible securities which cannot be sold, and which are destined sooner or later to make a deep hole in profit and loss balances.—*Wall Street Journal.*

New Counterfeit $10 United States Note.—Series of 1901; check letter C; plate number 86; J. W. Lyons, Register of the Treasury; Ellis H. Roberts, Treasurer of the United States; portraits of Lewis and Clark. This counterfeit is a well-executed lithograph production printed on good quality bond paper, but no attempt has been made to imitate the silk fiber of the genuine. The face design of the counterfeit appears flat, due to the failure to reproduce the light-and-shade effects of the genuine. This is particularly noticeable in the medallion portraits of Lewis and Clark and the picture of the buffalo. The color of the seal, numbering and large X with superimposed TEN, face of note, is pink instead of carmine. The lathe work on back of note is poor.

New Counterfeit $20 National Bank Note.—On the First National Bank, of Mayfield, Ky.; check letter A; series of 1882; J. Fount Tillman, Register of the Treasury; D. N. Morgan, Treasurer of the United States; charter number, 2245; bank number, 5211; Treasury number, A951226A. This counterfeit is a plain, uncolored photograph, apparently the work of an amateur photographer. It is printed on paper of poor quality, no attempt having been made to imitate the silk fiber of the genuine.

THE RELATIONS OF LABOR AND CAPITAL.

[In the opinion of many bankers and others the present relations between labor and capital are a menace to the continued prosperity of the country. Believing that a full discussion of the subject will tend to a right settlement of existing difficulties, THE BANKERS' MAGAZINE has secured a number of special articles from the representatives of both sides of the controversy. The first article is contributed by David M. Parry, President of the National Association of Manufacturers: also President of the Citizens' Industrial Association of America, recently organized. Subsequent papers will present the views of labor leaders and others.]

IS ORGANIZED LABOR RIGHT? THE ONLY QUESTION.

BY DAVID M. PARRY, PRESIDENT NATIONAL ASSOCIATION OF MANUFACTURERS; PRESIDENT CITIZENS' INDUSTRIAL ASSOCIATION OF AMERICA.

Recent events instead of assuaging have only served to accentuate the alarm in business circles over the encroachments of organized labor on natural rights. It has been but a few weeks since the committee of labor leaders called upon President Roosevelt and subsequently issued a statement in which the President was credited with expressing himself to the effect that while the law compelled him to enforce the "open-shop" principle in the Government bureaus, he did not think the principle should pertain to private corporations. Another statement represented him as saying he was in favor of eight-hour legislation. The President refrained from dignifying this labor manifesto by giving it a formal reply, but he allowed the authorized statement to be made in the press that he had been misrepresented in a wholly unwarrantable manner. The labor leaders endeavored to have the country believe that they had been honored by a special conference with the President, and it appears that this also was a misrepresentation. The labor men called upon the chief executive and were received in the regular course of business the same as any other delegation would be received. Following upon the heels of this piece of insolence in taking liberties with the President of the country, comes the meeting of the Civic Federation in Chicago, at which the man who is reputed to be the most conservative and safest of the labor leaders makes a speech on the "open shop" in which he brazenly declares that unions have the right to prevent non-union men from being employed, and when persuasion fails to use force. He also declared that non-union men have no right to employment in unionized industries. It was with such seditious utterances as these that the address of the head of the miners' organization comes with a special startling significance.

Organized labor has in these several instances served notice on the country in an official and formal manner that no man shall be allowed to work in the industries it dominates unless he be a member of the union; that no employer shall have the right to hire any man except he be able to show a union card. Its leaders declare that they will stand upon the "closed-shop" principle and fight it out on that line. Here is an avowed assumption of sovereign rights, of extra-legal authority, that finds no legitimate place in our government system.

DAVID MACLEAN PARRY

President National Association of Manufacturers
President Citizens' Industrial Association of America

Individual freedom and the right of private ownership in property, the principal cornerstones of our system of government, are brushed aside and declared to be nil when organized labor is concerned. If an organization can abridge primordial rights to any degree, it can abrogate them entirely. The union man to-day transfers his birthright to his organization, and the latter becomes his taskmaster as well as his guardian. It may be argued that the organization can exist only by the consent of its members and may at any time become disrupted. This is true theoretically, but in practice the organization will dominate and the member must do its bidding willy-nilly; he learns that to complain is to suffer, and fear holds him steadfast. It is a despotism that unionism would become, and has become in certain trades, a despotism that would throttle the life of all industry. Organized labor stands as an avowed revolutionary force, and its usurpations of authority become serious when it is recalled that it claims a membership of over two millions of men.

The effects of the "closed shop" have been signally illustrated recently by the appointing of a receiver for the great shipbuilding and dry dock company in Brooklyn. Mr. Morse declared that his failure was due to organized labor. Men loafed about the works and some even went to sleep while supposed to be working. When remonstrated with they declared that they did not have to work; "that their organization took care of them." What was true in this instance is true to some extent in every unionized shop in the country. When men work for the union and not for the employer they learn "to soldier," and excuse their conduct on the ground that the less they do the more there is for some other man to do.

Wages are properly regulated by the laws of supply and demand, and so are prices, and so also are the returns on capital. Labor claims it produces all and gets about one-fifth of what it produces, while the other four-fifths go to capital. I have heard this statement or statements even more extravagant in character uttered many times. Yet the truth is that a six per cent. profit is considered good by many capitalists, and it is doubtful if the average profits would come up to that percentage. What capital does not get labor does get, and although it ought to be perfectly clear to every man that labor gets the great bulk of production, yet the labor agitators and the unions are continually declaring that the workmen are being despoiled and must organize to force the payment to them of the "all" that they produce. "Industrial democracy," they declare, will do this. Industrial democracy—a euphonious term for socialism, or in other words industrial despotism. Your industrial democracy means industrial confiscation; a seizing upon the four to six per cent. of production that goes to capital. It means the stoppage of that accumulation of capital which is so necessary for further progress, for it is only by increasing capital that man's capacity to produce can be increased. The danger to the country's future welfare in the constant teaching of ideas of the industrial democracy kind ought to be patent to all men that care to give a moment's thought to the subject. Yet there is an organization of an alleged two millions of men that stands on that platform.

When a union passes a resolution declaring that wages shall be raised ten per cent., is this a divinely-inspired action? In order that it may be perfectly valid it must have sprung from an intelligence hardly human, for what man or set of men can be found who can judge of the relative values of men's labor and of the things produced? It is sheer nonsense to say that the wage advances demanded by unions have any other basis than the notion of the men that they ought to receive better pay. It is difficult to find men who do not think that they are underpaid, and to attempt to regulate wages upon such an unstable basis as is afforded by the imaginations of men as to what they ought to get, is certainly an absurd undertaking. Yet we find apparently well-intentioned men who pretend to find some virtue in the artificial regulative scheme for industry. We are asked to arbitrate, which means to accept a compromise scale; but this scale has no more valid basis than the scale as originally demanded by the union. Artificial regulation spells disaster, not only to the employers but also to the workmen, for it means injustice in the division of production as between classes of labor, and it also means less and higher-priced production, consequently less consumption and a diminished employment for labor.

Then there is the eight-hour question. Organized labor has served notice that it intends to get its eight-hour bill through Congress at this session. I fear that the employers of the country are becoming wearied by the agitation on this question, but that it is important is pointedly illustrated by Australia where the eight-hour law having been in force for some time, the agitation is now on for a six-hour day. The average hours of labor have declined from about fifteen to about ten in the last century, and it has not been legislation or unionism either that has brought this about. Industrial progress determines the hours of labor necessary for men to work, and if it takes ten hours to produce the required product to satisfy the nation's needs, then ten hours it must be. The eight-hour day will only come when the capacity to produce is so multiplied as to make it possible. To attempt to bring it sooner must result in suffering to the many as well as loss to the few.

It is beside the question to argue that employers desire to oppress their workmen. The question of the hour is this: "Is organized labor right?" In its demands for the "closed shop," for the restricted apprenticeship system, for the eight-hour day, for the artificial regulation of wages, for industrial democracy; in its lawless attacks on the rights of non-members of its organization and the rights of employers; in its inflammatory appeals to passion and class hatred; in its abridgment of the right of employment, and in its denunciations of courts and its boycott on the militia, in all these things and much more: "Is it right?"

I deny that the great majority of employers desire to invent methods for the grinding down of wages. They stand ready and glad to pay the current rate of wages so long as they can figure any profit in so doing. They would pay a workman $100 a day if there were a slight margin of profit in hiring him. It is not the employer's fault that the services of some men are of but little value to the world. In fact, the employer cannot regulate wages any more than the employee. Under competitive conditions the growing demand for labor tends to increase wages, and they rise until the margin of profit to the employer diminishes to the point where it is only sufficient to induce him to continue in business. Under artificial regulation there is no longer any certainty as to labor cost from year to year; and while in some industries it is possible to charge up the wage advances to the consumer, still this process has a very damaging effect on all other industries. An equitable division of wealth or of the products of labor can only be obtained by allowing the law of supply and demand an unrestricted sway. Not only must labor compete against labor, but capital against capital.

I hold that it is impossible to devise any method to prevent the competition of capital with capital. Even supposing that a corporation has a monopoly, it cannot be done. It stands to reason that the profits from such a corporation will be reinvested in that corporation's business so long as it offers higher profits than any other investment, and as the increasing of its capital must increase its products, the prices of the latter must be lowered to broaden the market, and finally the percentage of profits of even this monopoly will approach the normal level of profits. But at the same time I do not believe in allowing any corporation to build itself up at the expense of other industries. In order that we may have symmetrical development, competitive conditions should be maintained throughout the entire industrial field.

I hold that there is but one way of preventing competition of labor against labor, and that is by destroying freedom and instituting tyranny maintained by force. That organized labor stands for some such tyranny is acknowledged in the frequent utterances of its leaders. They do not call their panacea for poverty a form of tyranny, but it is such just the same. Because they claim they are "for the uplifting of humanity" is no proof that they are right. A little unbiased and honest consideration of economic questions ought to convince any one that organized labor despotism would ruin civilization. The dismantled mills in England are to-day monuments to the folly of unionism. Shall the people of this country allow industry to decay and labor to become idle upon the streets of our cities just because a set of ignorant and designing schemers at the head of the labor movement declare that they are working for the emancipation of labor? I ask that the pretensions of these men to dominate the industrial world be challenged; that their theories be questioned, and that they be compelled to present facts to prove their contentions. Any cause that must deny the fundamental axioms of liberty in order to make excuse for its existence is, *prima facie*, a false and dangerous cause, and I assert that a little study of its theories and its effects must condemn it as being a retrogressive force, bringing ruin in its trail to the workmen as well as to the employers.

That the employers generally are realizing the menace that organized labor is to the best interests of the entire people is evident by the general organization movement among them during the last year in order to protect themselves and also the country from the danger that threatens. There is an old proverb, that there is no use of locking the stable door after the horse has been stolen. There is no use of waiting until organized labor has established the closed shop throughout the country, passed eight-hour laws, and otherwise fastened a semi-socialism upon us, before beginning to take steps to checkmate its power. Australia is an example of a country where organized labor has the upper hand, and where as a consequence great public debts, bankruptcy, industrial depression and other evidences of a deplorable condition of affairs exist, and this despite the fact that the country is a new and undeveloped land. The time to save this nation from similar disastrous experiences is now while yet there is time. I do not mean that the employers should resort to any drastic or retributive measures, but I do mean that they should become thoroughly organized, so that they can wield that legitimate influence over affairs which is their natural right. The mere existence of a local employers' association in a town has a very salutary effect upon the conduct of public officials when it comes to enforcing the rights of citizenship. Newspapers and public men become loath to adopt demagogic methods when they know that such will meet with the opposition of the association. Legislatures will give a heedful ear to what the organized business element has to say when labor agitators demand legislation that infringes upon general rights. Such a local association has its weight in forming public sentiment, because it has the machinery for the dissemination of its ideas. My opinion is that every employers' association should carefully refrain from harsh measures, and should stand squarely on the platform that the constitution and the laws be enforced, and not attempt to meet force with force. By methods of peace is the victory to be won. We do not want to be at war with our employees, and we do not wish to see them led astray by blatant anarchists and socialists. We must appeal to the common sense of the workmen, and also to the fair-mindedness of the general public. The employers' organization should be a protest against lawlessness and false economic ideas. It should not be a machine for retributive vengeance. Any attempt to make it the latter will result in its disruption. The employer should attempt nothing except that which is fair, and if wisdom prevails in the councils of the association, the public will not be long in discovering that such is the case.

There is a class of employers in this country, and happily this class is growing less in influence, that finds in organized labor a valuable ally for their own schemes for setting at naught the law of competition. The joint agreement is in the major number of cases a means of stifling competition, and as the wage advances are also charged up to the consumer, the employer is quite ready to grant them. Then again there is the business man who is politically ambitious, and who grasps with avidity any opportunity to parade himself as a friend of the labor vote. The political employer is often an influential personage, being frequently trained to public speaking, and he manages in some cases to do as much harm to the country as the worst agitators in labor circles. But with the advent of the employers' association it will not appear so advantageous to the politician, whether he be a business man or not, to give himself over to labor demagogy. With the business world properly organized, it is my opinion that this country need not fear the pernicious programme of the organized labor movement.

NEW COUNTERFEIT $5 NATIONAL BANK NOTE.—On the First National Bank of Lynn, Mass.; check letter A; series of 1882; B. K. Bruce, Register; A. U. Wyman, Treasurer; portrait of Garfield; charter number 638; bank number 12084; Treasury number B850144. Another photograph, identical in workmanship with the $10 note on the Millers River National Bank of Athol, Mass., previously described.

A QUEER RUN ON A BANK.—A recent despatch from a Pennsylvania town said: Foreign coal miners saw posters announcing the play "A Run on the Bank," and suspected that the First National Bank was the bank meant. They started a run in earnest, which the bank was able to meet with the assistance of the local coal operators. Many of the foreigners took their money to the firm, to have it taken care of. The cash was replaced in the bank and paid out several times.

EFFECTS OF THE DEPRESSION IN STOCKS.

The effect of the fall of stock values in consequence of overspeculation has undoubtedly been somewhat depressing on business throughout the whole country. It has caused all those who have money to invest or loan to lose some of the confidence which makes it easy to secure money for legitimate enterprise. But the effect has not been wholly bad. The setback which the great speculations displayed for the temptation of the investing public, by men of high reputation in finance, will make that public more wary and induce them to confine their capital to enterprises which are more directly under their own possible supervision.

There is no doubt that local business enterprises are generally prosperous. During the height of the speculative boom it is probable that it was the surplus money only, money that could not be used locally, that was drawn to the great undertakings of the syndicates. Very likely, since these opportunities displayed in the central money markets are no longer considered desirable, such sums as the disappointed investors are able to recover will slowly come back to the local markets and seek investment there.

There can be no dispute that the building and equipping of electric lines, for instance, and other enterprises of the same calibre, have had some check since the discrediting of the great combinations. The public is not so keen to take the stock of new enterprises of any kind, no matter how well they promise. The belief in the magic of financial transmutations has been greatly dampened. It is believed, however, that the accumulations of the last two or three prosperous years have been so great and so well distributed that such losses as have been experienced have not greatly reduced available capital, and that after sufficient time has elapsed to reassure those that hold this capital that there are still plenty of paying investments, honestly conducted, this capital will again be offered.

The charges of recklessness and allegations of dishonesty which have been made regarding the conduct of large enterprises on the part of men and institutions of high reputation, lead many to think that all promoters, little and big, may be affected in the same way. It is true that the force of the example of some who have risen to the highest monetary power is likely to have affected some of those influential in lower financial circles. The struggle for the control of great properties has no doubt been going on where lesser interests where at stake. The outside investing public, who in the end must be the source of the capital by which enterprises are initiated and sustained, has naturally got tired of being the mere pawn of would-be Napoleons of finance.

Any observer travelling through the country can glean from the conversasation of the average man that he regards the stocks which these men seek to manipulate to their own advantage as dangerous. If the men who are in control of the railroads of the country, little or great, would devote their energies to improving these roads as earners of money and spend less time in the struggle for supremacy, the public would soon come to their support.

These contests to determine whether one clique or another shall own and manage a railroad demoralize the entire working force of the road. The men dependent on it for employment find that they are no longer valued so much for their honesty and ability in seeking to do good work, but for services they can render to one or the other crowd of financiers who are seeking supremacy. It results that many roads are badly managed, the public is poorly served, the earnings decrease, and the whole property is deteriorated. Necessary betterments are delayed or neglected until the contest is settled.

It is thus that demoralization spreads in all corporations when two or more cliques or coteries of stockholders are fighting each other. The working force feels that its tenure is uncertain. If the men who now direct the road are ousted by their rivals, the new heads may make changes clear through. Under these influences the old superiority of private business methods is falling to the level of political methods. While Government business is under civil service rules improving in character, private business is acquiring all the faults of which Government business was formerly accused. The raids for control of corporations great and small throughout the country have tended to demoralize their business to the remotest details and to drive out the small investor.

TO INSURE BANK DEPOSITORS.—The following information was published recently in the form of a despatch from Indianapolis, Ind., dated October, 27:

An effort is to be made to organize the banks of the country into a national bankers' mutual fidelity association, the purpose of which is to guarantee all creditors against loss. It is intended to constitute a guaranty fund out of a small percentage of the deposits of all the banks, which is to be paid to the central association. It is thought that a contribution of one per cent. of the deposits of all the banks will be ample protection to the creditors of any banks that may fail.

Samuel B. Archer, of Saratoga, N. Y., who is promoting the plan, thinks that its adoption would greatly lessen the number of bank failures. There is to be a close supervision of the banks by the association. Mr. Archer holds that with such protection to the creditors it would be safe to allow the banks to issue asset currency, over and above their present bond secured circulation, up to fifty per cent. of their capital.

One effect of the scheme if it were adopted, Mr. Archer says, would be to take the Government practically from the banking business. The associated banks would protect their own asset-note holders and depositors and would themselves hold the funds necessary to accomplish that end. If enough banks agree to come into the organization an association will be formed and Congress will be asked to give it favorable legislation.

TO DEMONETIZE MEXICAN DOLLARS.—The Board of Philippine Commissioners has just issued a proclamation announcing the demonetization of the Mexican dollar on and after January 1, 1904. Until that date the coin will be accepted at all the Government offices at the usual rate, which is equivalent to fifty cents American money.

THE PROBLEM OF WEALTH AND THE TRUST COMPANY AS TRUSTEE.

[Address of Hon. Lyman J. Gage, ex-Secretary of the Treasury and President of the United States Trust Company, New York city; delivered before the annual meeting of the Trust Company Section of the American Bankers' Association, held at San Francisco, Cal., October 20.]

We are accustomed to think of the serious problems which beset the poor, and we sympathize, or ought to sympathize, with them. The ever-present question of to-morrow, the possible failure of employment, the cost of living, the drawback of sickness, the calamity of death—these may be briefly summarized as the leading problems of the very poor. These problems do press a painful burden upon the larger mass of society. To secure immunity from them, to find honorable avenues for escape, to secure financial independence, in short, to accumulate wealth, is and forever must be, a natural and laudable ambition. But no sooner does one pass over from the army of the poor to the relatively smaller company denominated the rich or well-to-do, than he finds that the problems of life, if changed in their nature, are yet vexatious and troublesome. Having become possessed of a competence, he no longer fears the approach of his landlord for rent unprovided, nor is he anxious concerning to-morrow's bread or as to the wherewithal to clothe his family. Frequently, however, he learns that wealth is a burden and often a heavy one. He discovers an innate tendency in accumulated treasure to take unto itself wings. He finds that money flies as well as "talks." He is apt to learn how easy it is to lose in an hour the careful savings of months and years, and, in a sense wholly different from the Latin poet, he learns that the descent to the Avernus of financial disaster is easy and swift, and that it is difficult to recover his lost footing and escape to the upper air of financial freedom. He soon learns that when he loans money he is apt to borrow trouble.

In this country we have not well learned the lesson of content with reference to an acquired competence. The American business man seldom retires. He prefers to struggle on in the harness and to carry his financial problems to the inevitable end, not as a general rule from considerations of avarice (for in no country are the rich more generous or less avaricious) but from the sheer joy of achievement and the fascination which the conflict of business life has for him. In England they have learned better than we to be content with a competence, to relieve one's self of the burden of wealth and to devote one's energies to other purposes than the mere increase of the burden. In other words, there is in England a pronounced leisure class, men who have not merely withdrawn themselves from business but who will not even be burdened with the care of their own possessions and who leave it either to family solicitors or to fiduciary corporations. Thus freed from the burden, they find time to devote themselves to the politics of their country, the pursuits of literature, the cultivation of art, the enjoyment of their landed estates and to the legitimate pleasures which a large cosmopolitan capital like London affords.

In America an ever-increasing number are learning this lesson. Their greatest problem is to find a suitable custodian for their wealth, to whom its cares and responsibilities may be safely delegated.

If, however, the American man of wealth does not wish to retire from business but, with his characteristic and inexhaustible energy, prefers, for the mere pleasure of achievement, to continue to add to his accumulated means, he is yet confronted by the possibility of disability through disease or infirmity of age and the certainty of death. Unless he is strangely indifferent, he cannot be unmindful of the question as to the ultimate disposition of his inherited or acquired possessions. If blessed by the ties of blood with a family, either lineal or collateral, he finds that he has become a kind of human providence to a dependent group, for the members of which, in varying degrees of duty, it is his pleasure to extend a protecting and helping hand. He must recognize that his children, who have been educated in the schools, cultivated by travel and refined in taste through social customs and manners, have in a sense claims upon him, and that there are few greater hardships in life than those sudden reversals of fortune where a child, reared in luxury, is suddenly called upon to face unaccustomed poverty.

Sooner or later the obligation must be discharged to make a wise disposition of his fortune, and as nothing is more certain than that he cannot himself continue to administer it, he is inevitably met by the question, "Whom shall I constitute my executor or trustee? Shall it be my eldest son? Frequently he is of all the family the least qualified. Shall it be one of the juniors? Such preference is apt to excite jealousy and bitterness and lead to unhappy dissensions. A trusted and experienced friend? He may not survive, and in any event his availability may alter through changed conditions and circumstances when it is too late to recall the trust. A legal counsellor? His ability and character may both be great, but the uncertainties of life surround him as they do other men, be he ever so competent and faithful. If provision is to be made for children and grandchildren, a long tenure of office in the trustee is of great importance; and if any or all of the fund to be transmitted is to be devoted to public charities, a permanent trustee then becomes inevitable. Moreover, there always exists the possibility of malfeasance and betrayal, the sins of omission and commission, whereby fortunes are too often dissipated and lost.

This problem, which to thoughtful and conscientious men is a grave one, the trust company, in its legal capacity as administrator, executor or guardian or trustee, is established to solve. Enjoying perpetuity, it is not subject to the vicissitudes of death. Controlled by the limitations and provisions of its charter, it is kept by the strong hand of the law within the limits of conservative operations. Presumably managed by a competent board of directors, the beneficiaries of the trust have the advantage of the collective wisdom of the experienced man, and in financial matters, "in a multitude of experienced counsellors there is safety." Inspected by independent officers of the State, any wrong doing by the officers of a trust company cannot long remain undiscovered. Possessed of ample capital, the beneficiary is guaranteed against loss through errors or willful dishonesty. Moreover, the trust company, in managing many estates, can do so with an economy not possible to individual trustees. Undoubtedly there are often advantages in having as trustee an attorney who has advised the donor in the lifetime, and whose peculiar knowledge of the estate is valuable; but, as has been stated, such management in the nature of things cannot be long-enduring, but its advantages can be secured by uniting the family counsellor with the trust company, as co-trustees. In this manner both the special benefits of corporate management and those of an individual trustee can be secured.

I submit, therefore, that the burdens of the rich would be sensibly relieved if due regard were had to the advantages offered by the trust company.

This brings me to a closer consideration of what the trust company should be in its character, capital and methods of business, to enable it to discharge with zeal and fidelity the high duties imposed upon it in its fiduciary capacity as trustee. Its capital should be adequate to its responsibilities. Its officers and directors should be men of experience and with a single mind devoted to the institution they serve. Its corporate work, whether exclusively relating to its trust business or not, should be of a dignified character and free from hazard. Around the trust company should further be thrown the safeguards of wise legislation. In some of the older States, adequate provision in this respect has been made, and these beneficent laws could profitably be adopted by the States less fortunate.

The Legislature may well give careful consideration to this important function of financial corporations. It is true the trust company is comparatively a newcomer. The first of such institutions began business in the United States but little more than fifty years ago. The record of that half century is, however, upon the whole, an honorable one, and the extent of its services in the management of property is but imperfectly understood by those most requiring its special facilities. In the period in question few, if any, losses have occurred to any trust property by the delinquency of any trust company acting in a fiduciary capacity. There have unquestionably been, in such institutions, occasional acts of misfeasance by employees, but in no case that I can recall has the trust company failed to make good to the beneficiary the temporary loss thereby sustained.

I am firmly of opinion, therefore, that the growing value of such companies in the special work to which I have alluded should be made known to that class which we may justly hope is becoming numerically greater, to whom the problem of the proper management and ultimate disposition of their property presents itself as the peculiar problem of the rich.

Regulation of Corporations.—In a recent address by Judge Grosscup, of Chicago, the following remedy was proposed for the reckless abuses of incorporation and promotion: "The American instinct for the acquirement of property asks no impossible guarantees. But it asks, and it is entitled to have, knowledge of the facts. It can see with its own eyes the real estate or other individual property under barter; it cannot see as things now are through the tangled meshes of indiscriminate corporate organization. Put the organization of all corporations on a basis that is fixed, and, above all other considerations, simple and knowable; compel them to start on assets reasonably equal to their capital; keep them subject to inspection, as banks and trust companies are now organized and inspected, and uncertainty—not uncertainty of judgment, but uncertainty respecting the facts upon which judgment acts—will disappear. In this way, and in this way alone, in my judgment, can this increasing class of the property of the country be brought back into the people's ownership."

BANKING LAW DEPARTMENT.

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DELIVERY OF CHECK TO IMPOSTOR—EFFECT OF HIS INDORSEMENT.

Supreme Court of Nebraska, July 10, 1901, and June 18, 1902.*

HOFFMAN vs. AMERICAN EXCHANGE NATIONAL BANK.

Where the holder of a check indorses it to the order of a particular person, and delivers the same to one who falsely claims to be that person, the holder believing him to be such, a subsequent holder in due course acquires a good title to the instrument when indorsed by such impostor in his assumed name.

HASTINGS, *C.:* The plaintiff was acting as disbursing agent for the executor of an estate, from which one Peter W. Brubaker was entitled to receive $264.15. The plaintiff had made considerable exertions to find Brubaker for the purpose of making this payment, but had failed to do so. Plaintiff had made to Brubaker two previous payments from the estate—one paid by a draft sent to Illinois and receipted for by him, and one payment made to him in person at Elizabethtown, Pa., where plaintiff resided. With reference to this third and final payment plaintiff had written to Omaha and to Illinois, and received no response. He finally received a letter dated July 2, 1895, saying: "Lincoln, Neb., July 2, 1895. Mr. C. S. Hoffman: I got a letter from my brother sade you wanted my address it is Peter W. Brubaker, Lincoln, Nebr."

To this plaintiff replied as follows: "Elizabethtown, July 5, 1895. Mr. Peter W. Brubaker: This afternoon I received your letter. I have been writing around to the different places where you were before, but the letters came back. You will take the release before a notary public, sign and acknowledge and have some person to sign as witness, and then return it to me, and I will send you draft for your share, less expenses. Yours truly, C. S. Hoffman."

The release was executed evidently to plaintiff's satisfaction, for on July 12 he sent the following letter: "Elizabethtown, July 12, 1895. Mr. Peter W. Brubaker, Lincoln, Neb. Your release to Jacob Risser, executor of the will of Peter Oberholtzer, dec'd, came back all right. Inclosed you find draft No. 5774 for $264.15 which with $1.75 for the expense of release and draft is in full of your share in the final distribution of the estate. Please let me hear from you when you get this so that I know that all is right. Yours truly, C. S. Hoffman."

The draft was cashed by the defendant bank, the recipient being identi-

* Withheld from earlier publication by order of the Court.

fied as Peter W. Brubaker by the notary, Walter A. Leese, of Lincoln, before whom the release had been executed, and in whose care the final letter and draft were sent by the plaintiff. The evidence, however, shows conclusively that the Peter W. Brubaker who was entitled to this money was not in Lincoln at that time, but in Indiana, and he received no money.

The trial court found, first, that the plaintiff intended the draft to be paid to the individual who received the money from defendant, and that defendant was not guilty of any negligence in paying it; second, that the defendant was led and induced to pay the draft by acts of plaintiff, and plaintiff's negligence prompted its payment; and, third, that the plaintiff was not the real party in interest, and could not maintain the action, it appearing that he was simply the agent of Risser, the executor of the estate from which the money came.

The liability of the defendant is asserted on the grounds set forth in section forty-two of the Negotiable Instruments Act of New York, which has been enacted in effect in fourteen other States, and is claimed to be declaratory of the common law. Said section forty-two reads as follows: "Where a signature is forged or made without authority of the person whose signature it purports to be, it is wholly inoperative, and no right to retain the instrument, or to give a discharge therefor, or to enforce payment thereof against any party thereto, can be acquired through or under such signature, unless the party against whom it is sought to enforce such right is precluded from setting up the forgery or want of authority."

It is claimed that this signature is a forgery, and the defendant therefore liable. As above stated, there seems to be no doubt that the real Peter W. Brubaker who was among the heirs of this estate never indorsed this draft. But it also seems clear that the plaintiff is not entitled to set up this claim.

A recent case in Rhode Island (Tollman vs. American National Bank, 48 Atl. 480, 52 L. R. A. 877) seems to sustain plaintiff's contention. Its syllabus has the following: "A check drawn payable to the order of A was procured by representations that the person to whom it was given was A, and the indorsement of the latter was forged thereto, and it was paid by the bank. *Held*, that the bank was liable to the drawer for such sum, both at the common law and under the statute." Rhode Island has adopted the statute above cited. The weight of authority, however, seems to be decidedly in favor of the doctrine that where a check or draft is drawn or indorsed and delivered to a party, to be cashed by him under the name in which it is made out or indorsed, that his signature by way of indorsement in that name is valid as between an innocent holder and the party delivering it to him. This is commonly put on the ground that the payer of the draft or the purchaser of it is simply carrying out innocently the intention of the maker or indorser. (Emporia National Bank vs. Shotwell, 35 Kan. 360; Meridian Nat. Bank vs. First Nat. Bank, 7 Ind. App. 322; Robertson vs. Coleman, 141 Mass. 235; Levy vs. Bank of America, 24 La. Ann. 220; Land, etc., Co. vs. N. W. Bank, 196 Pa. 230.) It is also placed sometimes, as was done in a measure in this instance, by the trial court, on the ground of negligence on the part of the maker. It is sometimes held that the payee is a fictitious person, and the check or draft therefore payable to bearer.

It is suggested in defendant's brief that the exemption from liability is more properly placed on the ground of estoppel, or, as it is stated in the Negotiable Instruments Act, that the party is "precluded from setting up the forgery or want of authority." It certainly would seem that in this case when Mr. Hoffman was satisfied with the release he got, and mailed the draft to the maker of that release, he asserted as definitely as a man could his desire that this money should be paid where it was paid. After that desire has been acted upon, and the false Brubaker has received the money, it would seem too late for the plaintiff to discover his mistake, and collect the money back from one who had paid it out to the individual he requested, though not the one he thought he was requesting to have it paid to.

It is recommended that the judgment of the district court be affirmed.

Day and Kirkpatrick, *CC.*, concur. Affirmed.

The plaintiff insists that the sole question in this case is whether the indorsement of the draft by the impostor was a forgery. We do not believe a determination of that question will dispose of this case. That the indorsement was a forgery may be conceded; but it does not necessarily follow that the plaintiff is entitled to recover in this action. We think the majority of cases, certainly the best-considered cases, hold that, under the circumstances shown in evidence in this case, an innocent purchaser is protected by such indorsement. (Meridian Nat. Bank vs. First Nat. Bank [Ind.] 34 N. E. 608, 52 Am. St. Rep. 450; Emporia Nat. Bank vs. Shotwell, 35 Kan. 360, 11 Pac. 141, 57 Am. Rep. 171; Kohn vs. Watkins, 26 Kan. 691, 40 Am. Rep. 336; Land Title and Trust Co. vs. N. W. Nat. Bank, 196 Pa. 230, 46 Atl. 420, 50 L. R. A. 75, 79 Am. St. Rep. 717; Robertson vs. Coleman, 141 Mass. 235, 4 N. E. 619, 55 Am. Rep. 471; United States vs. Nat. Exchange Bank [C. C.] 45 Fed. 163; Crippen Lawrence & Co. vs. Am. Nat. Bank of Kansas City, 51 Mo. App. 508; Forbes vs. Espy, 21 Ohio St. 474.) It has been suggested that the cases just cited may be classed under four heads, the basis of such classification being the ground upon which the courts place their respective decisions, which are as follows: First, that such indorsement effectuates the intention of the drawer; second, that the drawer has been guilty of negligence; third, that the drawer is to be treated as a fictitious person; fourth, estoppel. But such classification is unscientific, and is based on the language of the opinions, rather than upon any principle underlying them. A careful analysis of the cases will show, we think, that the controlling principle in each case is estoppel, which to our minds, is peculiarly applicable to cases of this character.

The plaintiff had money which belonged to Peter W. Brubaker. An impostor assumed the name of Peter W. Brubaker, and claimed the money. His identity was a question for the plaintiff. Satisfied that he was dealing with the real Peter W. Brubaker, the plaintiff indorsed and delivered the draft to the impostor. Of the contractual obligation thus created, the delivery of the draft was an essential element, and stamped the impostor as the person to whose order the plaintiff intended payment to be made. In other words, by the delivery of the draft to the impostor the plaintiff held him out to the world as his indorsee, and as the person to whose order he had, by his indorsement, directed payment to be made. He cannot now be heard to complain that the defendant acted on the indicia of identity with which he himself had clothed the impostor.

It is recommended that the conclusion reached in the former opinion be adhered to, and that the judgment of the district court be affirmed.

Ames and Duffie, *CC.*, concur.

PER CURIAM: The conclusion reached by the Commissioners is approved, and, it appearing that the adoption of the recommendation made will result in a right decision of the cause, it is ordered that the conclusion reached in the former opinion be adhered to, and the judgment of the district court affirmed.

Affirmed.

INDORSEMENT OF PROMISSORY NOTE BY CORPORATION WHICH HAS NOT COMPLIED WITH STATE STATUTE—LIABILITY OF MAKER.

Supreme Court of Colorado, May 5, 1903.

McMANN vs. WALKER.

The holder in due course of a negotiable promissory note, who takes the same from a foreign corporation doing business in Colorado, may recover thereon against the maker, though such corporation had not, at the time of the execution of such note or afterwards, complied with the statutes of that State requiring foreign corporations to pay certain fees before engaging in business in the State.

The maker, by giving a note, conclusively admits, as to third parties purchasing before maturity, and in good faith, the legal existence of the payee, and its authority to take such note, and to negotiate and transfer it by indorsement.*

This was an action upon a promissory note executed and delivered in the the city of Denver, and payable to the Sprague Collection Agency.

The payee was a foreign corporation, and at the time of this transaction had not, nor has it since, complied with the law requiring such corporations to pay certain fees before engaging in business in such State. (Sess. Laws 1897, p. 157, c. 51.) Before maturity, the plaintiffs, for value, and without notice that the payee had not complied with the law relative to foreign corporations, purchased the note from the payee in the city of Denver. In an action by the purchasers against the maker to enforce its collection, the trial court held that the note was void, and rendered judgment for the defendant.

GABBERT, *J.:* The only question necessary to determine is whether or not a negotiable promissory note in the hands of parties obtaining it for value, in good faith, before maturity, from a foreign corporation in this State, to which it was given in this State, is invalid as against the maker, because such corporation, at the time of the execution and delivery of such note or subsequently, had not complied with the laws relative to the conditions which would authorize it to engage in business within the State.

The question is one which has been discussed by the courts of several States, with the result that the decisions on the subject are not altogether harmonious.

Whether or not the note in question be invalid as between the maker and payee is a question upon which we express no opinion, because that proposition is not involved, and does not in any manner affect the rights of the parties to this action. The statute which the maker invokes does not provide that a note given a foreign corporation in the circumstances narrated shall be invalid in the hands of third parties, and it should not be given a construc-

* Negotiable Instruments Law (New York act)section 110. The law further provides: The indorsement or assignment of the instrument by a corporation or by an infant passes the property therein, notwithstanding that from want of capacity the corporation or infant may incur no liability thereon. (Section 41.)

tion, unless unavoidable, which would result in visiting upon innocent third parties a penalty for its violation by another.

In this State the general rule of law prevails that negotiable commercial paper, although invalid as between the immediate parties, is valid as to third persons obtaining it for value before maturity, and without notice of its infirmities, unless so declared by statute. (Boughner vs. Meyer, 5 Colo. 71, 40 Am. Rep. 139. See, also, Sondheim vs. Gilbert, 117 Ind. 71, 18 N. E. 687, 5 L. R. A. 432, 10 Am. St. Rep. 23, where the subject is fully discussed and many authorities cited.)

The defendant, by giving a note which is not the subject of statutory enactment, thereby conclusively admitted as to third parties purchasing before maturity, and in good faith, the legal existence of the payee, and its authority to take such note, and to negotiate and transfer it by indorsement. (Section 60, Negotiable Instruments Act [Sess. Laws 1897, p. 223, c. 64]; 4 Enc. Law [2d Ed.] 474, 475; Wolke vs. Kuhne, 109 Ind. 313, 10 N. E. 116; 1 Edwards' Bills and Notes [3d Ed.] § 363; Bigelow on Estoppel [4th Ed.] 512.)

The plaintiffs were in no manner connected with the original transaction, and they violated no law in purchasing the note from the payee. They purchased it in good faith, before maturity; it was negotiable in form; and the maker cannot be heard to say, as against them, in these circumstances, in the absence of a statute to the contrary, that the payee committed an illegal act in taking, or had no authority to dispose of, it, in the usual course of business, because by its execution and delivery he is precluded from raising any of these questions as against the purchasers, who obtained it for value, before maturity, without notice of the fact upon which he relies to defeat it. The courts cannot undertake to render the statute relied upon by defendant effective by imposing penalties which it has not provided, or placing them where they do not belong. If defective because no sufficient provision is made for its enforcement, that is a matter for the Legislature to remedy. According to the undisputed facts, the plaintiffs were entitled to a recovery on the note. The judgment of the court is therefore reversed, and the cause remanded, with directions to render judgment in favor of the plaintiffs.

Judgment reversed.

KNOWLEDGE OF BANK OFFICER—WHEN BANK NOT AFFECTED BY.

Supreme Court of California, June 9, 1903.

McDONALD (EEL RIVER & E. R. CO., INTERVENER) vs. RANDALL.

Where the President of a bank procures the note of a third person to be discounted by the bank for his own benefit, the bank is not chargeable with his knowleege that the instrument was given without consideration.

This action was brought to obtain a decree cancelling a mortgage on the ground of want of consideration. The note, to which the mortgage was an incident, was a negotiable instrument. It was regularly indorsed by the payee, Randall, and delivered to the Randall Banking Company before its maturity. At that time Randall was indebted to the banking company in an amount much larger than the amount of the note, and the banking company received the note and the mortgage as part payment of Randall's indebtedness to it, and credited the full amount of the note on such indebtedness. The court found "that the said Randall Banking Company purchased said note and mortgage in good faith, in the ordinary course of business, and for value, before its maturity, and in ignorance of the fact that, as to Margaret H. McDonald, one of the makers, it was given without consideration, or for a debt which was barred by the statute of limitations."

McFARLAND, *J.:* It is contended that this finding must be held to be unwarranted, because it appears, and the court found, that Randall was the President of the bank and knew of the consideration of the note. But, when he procured the bank to take the note as part payment of his indebtedness, he was acting individually and at arm's length to the bank, and his knowledge was not the knowledge of the bank. The same may be said of the former secretary, Murray, who was absent when the bank acted in the matter of accepting the note and the mortgage, and who obtained his knowledge while acting for Randall individually, and also of Roberts, who was elected Secretary on the day the bank acted, and who presented the note and mortgage to the bank for and as agent of Randall. The note and mortgage were accepted at a meeting of the board of directors of the bank at which were present Hill, the Vice-President, and four of the other directors, Randall not being present. Neither Hill nor any of the other directors knew that the consideration of the note was an outlawed indebtedness.

The fact that some of them knew, or should be held to have known, that shortly before the making of the note and mortgage the property covered by the mortgage had been conveyed to the plaintiff by her husband—it formerly having been community property—and that the conveyance had been recorded, is of no significance. The validity of the transaction here involved was in no way dependent upon the time at which she acquired title to the mortgaged premises.

That a corporation is not chargeable with the knowledge of one of its officers or agents, who is acting on his own behalf, and not for the corporation, is beyond question the law. Sufficient authorities are cited to the point in Bank vs. Burgwyn, 110 N. C. 267, 14 S. E. 623. It is there said, among other things: "In such transactions the attitude of the agent is one of hostility to the principal. He is dealing at arm's length, and it would be absurd to suppose that he would communicate to the principal any facts within his private knowledge affecting the subject of his dealing, unless it would be his duty to do so, if he were wholly unconnected with the principal.

As was said by the court in Wickersham vs. Chicago Zinc Co., 18 Kan. 481, 26 Am. Rep. 784: 'Neither the acts nor knowledge of an officer of a corporation will bind it in a matter in which the officer acts for himself and deals with the corporation as if he had no official relations with it.' Or, as was said in Barnes vs. Trenton Gaslight Co., 27 N. J. Eq. 33: 'His interest is opposed to that of the corporation, and the presumption is, not that he will communicate his knowledge of any secret infirmity of the title to the corporation, but that he will conceal it.' "

We are of the opinion that the finding above discussed cannot here be disturbed, and therefore it is unnecessary to consider any other point argued by respondents.

The judgment appealed from is affirmed.

SUIT AGAINST DIRECTORS OF NATIONAL BANK—WHO MAY MAINTAIN SAME.

United States Circuit Court, Northern District Illinois, July 1, 1903.

BOYD, *et al.* vs. SCHNEIDER, *et al.*

The creditors of an insolvent National bank cannot bring a suit against the directors to recover from them funds alleged to have been lost their negligence.

Such an action can be maintained only by the Receiver.

This suit was originally brought in the Superior Court of Cook County, Illinois, but was removed into the United States Circuit Court. The bill was filed by certain creditors of the National Bank of Illinois, an insolvent corporation, to recover from the defendants funds alleged to have been lost through negligence on the part of the directors of the National Bank of Illinois in the management of said bank; asking that the amount of money so lost "may become an asset of said bank, and of the receivership thereof, and be distributed by said Receiver according to law." The bill charged that, after exhausting the assets of the bank and the liability of the stockholders, there still would remain a large sum due to the various creditors, including complainants. To meet this deficiency, complainants prayed that an account be taken of what has been lost of the assets of the bank through the negligence, carelessness, and misconduct of the directors, and each of them; that it might be ascertained for what amount each of them should be held responsible in the premises; and that, when ascertained, each of said directors be decreed to pay the amount so found to be due from him to E. A. Potter, Receiver of said bank, to be by him distributed in accordance with law. The bill further charged that complainants had applied to the Receiver to institute the suit, and that he has refused. To this bill the defendants demurred.

KOHLSAAT, *District Judge:* There are two points made by the demurrers which seem to me to call for consideration, as preliminary to all others raised, since they go to the rights of the complainants to maintain a suit against the defendant directors. The one is as to whether, under the banking act, a suit can be brought by any person other than the Receiver, acting under the Comptroller of the Currency. The other is, conceding the right to bring suit without the direction of the Comptroller, whether creditors can maintain a suit like the one at bar against the directors to recover a corporate asset. Section 5239 of the banking act of the United States, tit. 62 (U. S. Comp. St. 1901, p. 3515), provides that:

"If the directors of any National banking association shall knowingly violate or knowingly permit any of the officers, agents or servants of the association to violate any of the provisions of this title, all the rights, privileges and franchises of the association shall be thereby forfeited. Such violation shall, however, be determined and adjudged by a proper circuit, district or Territorial court of the United States in a suit brought for that purpose by the Comptroller of the Currency in his own name before the association shall be declared dissolved. And in cases of such violation, every director who participated in or assented to the same shall be held liable in his personal and individual capacity for all damages which the association, its shareholders or any other person shall have sustained in consequence of such violation."

Considerable difference of opinion has arisen in the courts concerning the construction to be placed upon this section. Judge Shiras, of the Northern

District of Iowa, has held in Welles vs. Graves (C. C.) 41 Fed. 459, and Gerner vs. Thompson, *et al.* (C. C.) 74 Fed. 125, that, before suit can be brought by a Receiver against directors to enforce their liability under this act, it must appear that a forfeiture of the charter of the bank has been adjudged in accordance with section 5239. To the same effect is Bank vs. Peters (C. C.) 44 Fed. 13. While the case of Hayden vs. Thompson, *et al.* 71 Fed. 60, 17 C. C. A. 592, and Stephens vs. Overstotz (C. C.) 43 Fed. 771, hold the contrary. Thompson, in his Commentary on Corporations (volume 3, § 4303), speaks of the former construction as unsound. I am inclined to the opinion that such a proceeding by the Comptroller to declare a forfeiture is not a prerequisite to the bringing of a suit under section 5239. In the case of Gerner vs. Thompson, just cited, Judge Shiras also holds that directors would be liable, independently of the statute, in an action of deceit. The case of Hayden vs. Thompson states that the right to recover dividends wrongly paid out existed long before the act of Congress was passed. This doctrine is further sustained by the following authorities: Richmond vs. Irons, 120 U. S. 27; Brinckerhoff vs. Bostwick, 88 N. Y. 52.

There can be no doubt, from a reading of the bill, that it is based upon the statute. It is a proceeding brought to recover losses of the Illinois National Bank growing out of the wrongful acts of defendants, as directors, under section 5239 aforesaid. Can the liability and obligation imposed by the statute, being assets of the bank, be enforced by any one other than the Receiver, except as in the act provided?

National banks are the creatures of the national legislature. So far as the act attempts to regulate them, it is supreme. It is not intended that they shall be created only to be launched as independent corporate entities, and thereafter be permitted to engage in general competitive commercial enterprises, subject only to certain general rules and limitations; but, owing to their relations to the moneyed and other interests which are reserved in and controlled by the Government, they are kept under the strict regulation and watchful care of the Government, and constitute a class of corporations entirely distinct from all others. It would seem that the powers given by the statute to the Comptroller are in their nature judicial. He can determine when a bank is insolvent. He alone is charged with the duty of enforcing compliance with the provisions of the law, subject only to the regulation of the Secretary of the Treasury. He must, through the Receiver, take possession of all the bank's assets, collect and compromise debts, and sell the real estate. He alone can determine the need of and appoint a Receiver. The Receiver must pay the moneys collected by him to the Treasurer of the United States, subject to the order of the Comptroller. The Comptroller, through his Receiver, is required to give notice to creditors to present claims, and make dividends from time to time. He is authorized to determine when it is necessary to institute proceedings against stockholders to enforce their stock liability. All these questions are referred to his judgment and his discretion. The Receiver is the proper party to institute all suits. (National Ex. Bank vs. Peters [C. C.] 44 Fed. 13; Bailey vs. Mosher, 63 Fed. 488, 11 C. C. A. 304; Stephens vs. Overstotz [C. C.] 43 Fed. 771; Jackson vs. U. S. 20 Ct. Cl. 305; Bowles on Nat. Bk. Act, § 425; Kennedy vs. Gibson, 8 Wall. 498; Zinn vs. Baxter, 65 Ohio St. 341; Casey vs. Galli, 94 U. S. 673; U. S. vs. Knox, 102 U. S. 422; Bushnell vs. Leland, 164 U. S. 684; Glenny vs. Langdon, 98 U. S. 20.)

In re Manufacturers' National Bank, 5 Biss. 499, Fed. Cas. No. 9051, was a proceeding instituted to throw the bank into bankruptcy. Judge Blodgett denied the petition upon the ground that the banking act was complete in itself. He held that the act furnished, "through the functions of an important public officer, the Comptroller of the Currency, a very complete and detailed scheme or plan for administering the affairs of an insolvent bank," and intimated that the sense of responsibility of the Comptroller would be sufficient to insure his action in all proper cases. Again he says, as to National banks, they constitute a class of corporations which have, as it seems, a bankrupt law of their own, ingrained into their own constitution, and a part of their organic law, by the same authority which enacted the bankrupt law.

In Bank of Bethel vs. Pahquioque Bank, 14 Wall. 383, the court say:

"All alike must wait the action of the Comptroller of the Currency, and be content with a just and legal distribution of the proceeds of the assets collected by the Receiver and liquidated by the Comptroller according to the act of Congress in such case made and provided."

Defendants claim that the status of such a Receiver is analogous to that of an assignee or trustee in bankruptcy, a statutory assignee, or an administrator. In Glenny vs. Langdon, 98 U. S. 20, the court, referring to a suit brought by a creditor on refusal of the assignee in bankruptcy to sue, say the assignee is the only party designated by the bankrupt act as the proper claimant of the bankrupt's property and estate. It is further there held that, in framing the act, Congress intended to provide instrumentalities for its complete execution. The right of the creditor in such case to bring suit was denied. In Plow Co. vs. Bank, 59 Kan. 38, the court denied the petition of a creditor to be allowed to bring suit upon the refusal of the assignee to sue. Indeed, it is almost axiomatic, and scarcely requires citation of authorities to support the proposition, that in case of bankruptcy, statutory assignments, administrators, executors, and similar officers, no one can sue except the party occupying the official position. (Brown vs. Folsom, 62 N. H. 527 [an assignee]; Mechanics and Farmers' Bank, 31 Conn. 63 [an assignee]; Jefferis' Appeal, 33 Pa. 39 [an assignee]; Glenny vs. Langdon, 98 U. S. 20.)

In Platt, Receiver, vs. Beach, 2 Ben. 303, Fed. Cas. No. 11,215, the court holds a National bank Receiver to be an officer of the Government which appoints him.

In Price, Receiver, vs. Abbott (C. C.) 17 Fed. 506, Justice Gray said:

"By the statutes of the United States, the Secretary of the Treasury is the head of the Department of the Treasury, and the Comptroller is the chief officer of a bureau in that department. * * * Being appointed pursuant to an act of Congress, to execute the duties prescribed by that act, he is, in the execution of those duties, an agent and officer of the United States."

In Jackson vs. U. S. 20 Ct. Cl. 305, Justice Davis says the intent of the statute is to throw the entire control of insolvent National banks into the hands of the Comptroller, to centralize power and responsibility, for the purpose of facilitating winding up the affairs of the association. Such, also, is the holding in Bailey vs. Mosher, 63 Fed. 488, 11 C. C. A. 304.

It is urged that the Receiver, being appointed by the Comptroller, and not by a court, does not come within the rule above stated, and that to hold otherwise would be to invest the Comptroller with judicial powers. But does it require any greater judicial power on the part of the Comptroller to exercise complete control over his Receiver than is involved in the appointment of a Receiver? Has not the act clothed the Comptroller with powers which have always been deemed judicial? The power to appoint a Receiver carries with it the power to remove him. (Kennedy vs. Gibson, 8 Wall. 498.) Would a court allow any person to bring a suit which should be brought by its Receiver? If the Receiver failed to protect the assets of the estate committed to his care, he would be personally liable. Suppose a court should, upon investigation, determine that no cause of action existed, and refuse to permit its Receiver to sue; could any person feeling aggrieved bring suit in his own name? If, on the other hand, a Receiver refused to sue, the court might remove him, or, in a proper case, allow the party interested to sue in his name on giving proper indemnity? Are not the Comptroller and his Receiver in a like position? The identical question here involved does not appear to have been adjudicated. It is true that Federal courts have seemingly entertained suits brought by stockholders against directors to recover for negligent management of a National bank's affairs, as in *Ex parte* Chetwood, 165 U. S. 443, and in many other cases, but in no case was the point raised that the suit should be brought by the Receiver. The case last cited was brought in the State court, and went up on writ of error. It was based upon the common law liability of the directors. Other cases turn upon facts different from those of the case at bar.

It would seem that the rights, duties, and powers of the Receiver of a National bank could hardly be arrived at by analogy to those of any other Receiver, but must be looked for in the act. If these creditors can maintain their suit, then others might institute proceedings to recover some other asset, and the liquidation proceedings might be unconscionably prolonged. Have the complainants not had the benefit of the statute, so far as the remedy here sought is concerned, when they have applied to the Comptroller, and he, on investigation, has decided that the suit should not be instituted? For these reasons, I should be inclined to hold that the complainants cannot maintain their action herein, in the manner in which it has been instituted, but do not deem it necessary to dispose of the matter on that ground alone.

These complainants seek to recover from the defendants the amounts lost through the defendants' wrongdoing—not simply the amount due the creditors, but the whole amount wrongfully dissipated. Damages sustained by the creditors alone would not belong to the Receiver. (Thompson on Corporations, § 4304.)

This proceeding must then be in the interest of the stockholders, as well as of depositors. This suit is by the creditors, as a class, to assert a right which, it is admitted, vested in the Receiver, who could not bring suit for the creditors alone. The stockholders are not joined. They constitute another class. Complainants have no interest in the fund sought to be thus recovered, above the amount of their own claims. No recovery could be had beyond the amounts due the class bringing the suit. Complainants thus place themselves in the attitude of attempting to sue for two classes. The position of a stockholder would be different. He would be interested in the whole fund.

Lord Cottenham said in Mozley vs. Alston, 1 Phil. 790-798 *et seq.*, that the relief which is prayed must be one in which the parties whom the plaintiff proposes to represent all have an interest identical with his own. (1 Daniells, Ch., side pages 240 and 241, and other cases cited.) There are, however, many authorities which go to the extent of holding that, in cases similar to the case at bar, creditors cannot maintain an action against directors for the creation of a fund. (Landis vs. Sea Isle Co. 1 Am. and Eng. Corp. Cases, 208; s. c. on Appeal, 53 N. J. Eq. 654; Deaderick vs. Bank, 100 Tenn. 457; Bank vs. Hill, 148 Mo. 380; Bailey vs. Mosher, 63 Fed. 488, 11 C. C. A. 304; Kennedy vs. Gibson, 8 Wall. 498; Platt, etc., vs. Beach, 2 Ben. 203, Fed. Cas. No. 11,215; Gerner vs. Thompson [C. C.] 74 Fed. 125; Stanton vs. Wilkinson, 8 Ben. 357, Fed. Cas. No. 13,299; Bank of Bethel vs. Pahquioque Bank, 14 Wall. 383; Bank vs. Peters [C. C.] 44 Fed. 13; Briggs vs. Spaulding, 141 U. S. 132; Landis vs. Sea Isle Co., above cited.)

Complainants lay much stress upon the claim that there exists between creditors and the trustees the relation of trustee and *cestui que* trust, citing among other cases that of Hornor vs. Henning, *et al.* 93 U. S. 228. That suit was brought against the trustees of the Washington Savings Bank, organized under section 4 of the act of Congress passed May 5, 1870, c. 80 (16 Stat. 102), which provides (bottom of page 105) that:

"If the indebtedness of any company organized under this act shall at any time exceed the amount of its capital stock, the trustees of such company assenting thereto shall be personally and individually liable for such excess to the creditors of the company."

The only point before the court was that the liability created by a violation of this clause of the statute constituted a claim inuring to the benefit of all creditors, and that an action at law could not be maintained thereon by one creditor among many, but that the remedy was in equity. This case might be in point were the case at bar based upon a liability to the creditors alone, but it has no bearing upon the issues here presented. There are cases which on casual examination seem to hold that the directors occupy some sort of a trust relation toward general creditors, but the language is loosely used, and evidently not intended to lay down the principle contended for by complainants. It may be fairly gathered from these decisions that all they intend to hold is that the relationship is similar to that of trustee and *cestui que* trust. If, however, the relation between the creditors and the directors is that of a trustee and *cestui que* trust, the right of action would not vest in the Receiver, but in the creditors. It is not a bank asset, nor is it a general asset. The Receiver, standing in the shoes of the bank, could not assert such a claim. It would be personal to the creditors. If, then, this suit is brought to recover an asset of the bank—and I am of the opinion that it is so brought—and the liability sought to be enforced grows out of a trust relation between the parties hereto, complainants have mistaken their remedy. I do not deem it necessary to pass upon the other ground of demurrer presented, at this time.

The demurrer is sustained.

POWER OF BANK TO PURCHASE ITS OWN STOCK—EFFECT OF TRANSACTION.

Supreme Court of Alabama, July 10, 1903.

DRAPER vs. BLACKWELL & KEITH, *et al.*

In the absence of statutory restriction, a solvent banking corporation, not contemplating insolvency or dissolution, may purchase its own stock in payment of a previously existing debt due from its stockholder.*

Such a purchase does not necessarily operate to withdraw the purchased shares from the capital stock of the corporation or as a fraud on creditors; but the stock when so taken and transferred, becomes the property of the bank, and may be resold or held for the benefit of the creditors and the remaining stockholders, together with any dividends that may be earned on it.

SHARPE, *J.:* In the absence of statutory restriction, a solvent banking corporation, not contemplating insolvency or dissolution, may purchase its own stock in payment of a previously existing debt due from its stockholder. (Morse on Banking, § 716; Zane on Banking, § 119; Boone on Banking, § 218.)

Such a purchase does not necessarily operate to withdraw the purchased shares from the capital stock of the corporation, or as a fraud on creditors. The shares, when so taken and transferred, become the property of the bank, and may be resold or held for the benefit of creditors and the remaining stockholders, together with any dividends that may be earned on it. (Boone on Banking, § 218; Taylor vs. Miami Ex. Co. 6 Ohio, 176.)

In this case complainants seek to hold the defendant liable for debts due them, as depositors, from a bank incorporated pursuant to the laws of this State as the Bank of Anniston, and which made a general assignment for creditors September 28, 1898. By the bill it is alleged, in substance, that on January 27, 1894, the bank, by its board of directors, "undertook to withdraw from its capital stock 287 shares, of the par value of $100 each, and thereby reduced the assets of said bank and its capital stock in an amount equal to the value of said shares at $92 per share"; that this was done, without notice to the public or its customers or creditors, "under the following resolution, adopted by the board on January 27, 1894, to wit: 'Now be it resolved, first, that any stockholder who is indebted to the bank is hereby authorized to pay not exceeding 75 per cent. of his debt by transferring and assigning enough of his stock at ninety-two (92) dollars per share to pay said amount, and the Cashier is authorized to credit the same upon such debt or debts.'"

It is further alleged that at that time defendant was a stockholder and director in the bank, and participated in the passage of the resolution; that a firm of which he was a member then owed the bank about $4,150, by three notes, dated November 4, 1893, due in 60 or 90 days, and indorsed by defendant; that under the resolution defendant "turned into said bank 42 shares of his stock at $92 per share, and, among other things, obtained therefor said three notes, and thereby withdrew from the capital stock of said bank that amount."

Further, it is alleged that about November, 1897, the bank published a

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* National banks are permitted to purchase their own stock when "necessary to prevent loss upon a debt previously contracted in good faith, but the stock so purchased must be sold or disposed of at public or private sale within six months from the time of purchase." (Rev. Stat. U. S. Sec. 5201.)

statement showing its capital stock to be $78,950, which sum included 287 shares which had been surrendered to the bank in January, 1894, under the resolution referred to, without which surrendered shares the capital stock was only about $50,000; that the withdrawal of the 287 shares under the resolution was a fraud on the existing creditors of the bank, and those who became creditors subsequently without knowledge of the fact; and that complainants had no knowledge of any reduction of the capital stock until after the bank assigned.

It is nowhere alleged or shown by the bill that at the time of the transactions complained of the bank was insolvent, or that the directors, in passing and acting under the resolution of January, 1894, had in contemplation the occurrence of the bank's insolvency, or of the assignment which occurred more than four years later.

Applying the principles stated in the authorities above referred to, it will be seen that the facts alleged as effecting a reduction of the capital stock of the bank do not show there was in fact a reduction of the stock, or that the acceptance of shares held by defendant and others in payment of debts due the bank involved any illegality, or operated in any way to defraud or even injure complainants.

The bill is without equity. The decree appealed from will be reversed, and a decree will be here rendered dismissing the bill. Reversed and rendered.

RIGHT TO APPLY DEPOSIT TO PAYMENT OF NOTE—DIRECTION TO PAY DEPOSIT OVER TO RECEIVER.

United States Circuit Court of Appeals, Second Circuit, July 1, 1903.

WHEATON vs. DAILY TELEGRAPH COMPANY.

Where a bank to which an insolvent corporation was indebted was not a party to an action by a stockholder for the administration of the corporation's assets, it was error for the court to direct the bank to pay over to the Receiver of the corporation the amount of the corporation's deposits with the bank pending a determination of the bank's rights to set off such deposit against the corporation's debt.

Where at the time of the appointment of a Receiver for a corporation it was indebted to a bank in a sum largely exceeding the amount of the corporation's deposit, the bank was entitled to set off such deposit against the corporation's indebtedness to it.

Appeal from the Circuit Court of the United States for the Southern District of New York.

Before Wallace, Townsend, and Coxe, Circuit Judges.

WALLACE, *C.J.:* This is an appeal by the New Amsterdam National Bank from an order made in the above-entitled cause requiring it to pay over to the Receiver of the defendant, the Daily Telegraph Company, a sum of money alleged to be the balance of a deposit account. The Receiver was appointed in an equity suit brought by a stockholder of the Daily Telegraph Company in behalf of all the stockholders and creditors of the company in behalf of all the stockholders and creditors of the company to administer its assets. The company had kept a bank account with the New Amsterdam National Bank, and at the time when the suit was commenced the account showed a balance in its favor of about $2,000 arising from the moneys it had deposited over those it had drawn out. The bank alleged that at the time it held and owned a note of the company for $6,500, which was then due and payable. It refused to pay the balance of the deposit account to the Receiver, upon the contention that it was entitled to apply that balance towards the payment of the note. It resisted the application for the order, as well in respect to the nature of the remedy invoked as upon the merits of the Receiver's claim. The order requiring it to pay over to the Receiver seems to have proceeded upon the theory that primarily the Receiver was entitled to the custody of the fund, and if it should ultimately appear that the bank was entitled to retain the amount, either as a payment or as a set-off against its note, the court would make restitution.

We think this an erroneous disposition of the matter. In an action like the present, to marshal and administer the assets of an insolvent corporation, it is optional with the plaintiff to join as parties defendant such persons as claim an adverse interest in assets in their possession alleged to belong to the corporation; and when this has been done, and a Receiver has been appointed, the court upon hearing the parties will determine whether the custody of such assets shall, pending final decree, remain unchanged, or whether it shall be transferred to the Receiver.

Such a determination does not adjudicate or affect the ultimate rights of the parties; it extends only to the conservation of the assets until these rights are finally ascertained. Whether their custody shall be changed rests in the sound discretion of the court. If it should appear that the adverse claimants have a clear title to the assets, it would be an abuse of discretion to direct the custody to be surrendered to the Receiver, and especially when because of the paucity of other assets they might become subjected to a lien for the expenses of administration. If, when the Receiver is appointed, it is found that property alleged to belong to the corporation is in the possession of third persons who claim adverse title, and who have not been made parties to the action, the Receiver cannot interfere with their possession. They are entitled to their day in court, and the Receiver must proceed by suit in the ordinary way to try his right to the property, or the plaintiff must bring them in as parties to the action, and apply to have a receivership extended to the property in their hands.

The power of a court to proceed summarily against a person who has disturbed the custody of its Receiver, and which is usually exercised by an order for restitution upon the application of the Receiver or of the plaintiff in the action, and by punishment for contempt upon refusal to comply with the order, is undoubted; but this exercise of the authority of the court to protect its own possession is not to be confounded with the exercise of jurisdiction over persons claiming adverse rights in property which has never been in the custody of the court.

As the New Amsterdam National Bank has never had its day in court, the order of the court below was unauthorized, and could not support a proceeding for contempt. (Parker vs. Browning, 8 Paige, 388; Albany City Bank vs. Schermerhorn, 9 Paige, 372; Searles vs. Railway Co. 2 Woods, 621, Fed. Cas. No. 12,586; Thompson vs. Smith, 1 Dill. 458, Fed. Cas. No. 13,977; Terrell vs. Allison, 21 Wall. 289, 292; Howard vs. Railway Co. 101 U. S. 837, 848.)

Even if the bank had been a party to the suit, we think it would have been an erroneous exercise of judicial discretion to require it to pay over the money to the Receiver. The facts alleged by the bank in opposition to the application of the Receiver were practically undisputed. If they are true it had a right to retain the money, and the probability of a final decree to the contrary was too remote to justify wresting the fund from the bank pending a final decree, and possibly subjecting it to a lien for expenses.

The order is reversed, with costs.

INSOLVENT BANK—AMOUNT OF DIVIDENDS—WHERE BANK HOLDS COLLATERAL.

Supreme Court of Rhode Island, July 1, 1903.

In re BURKE.

Under the statute of Rhode Island, applicable to insolvent banks, a secured creditor is entitled to dividends on the full amount of his claim.

But the creditor is entitled to dividends on the principal indebtedness only, and cannot claim a dividend on the liability of the insolvent bank as indorser of the paper held as collateral.

STINESS, *C. J.:* As to the claim of the Bowling Green Trust Company of New York, the question is settled by Allen vs. Danielson, 15 R. I. 480, 8 Atl. 705, and Greene vs. Jackson Bank, 18 R. I. 779, which held that the settled rule in equity allows dividends to a secured creditor upon the full amount of his claim; the security being regarded as something collateral, which does not reduce the debt, but only secures the creditor *pro tanto* in case the debtor or his estate cannot pay the debt in full. (See, also, People vs. Remington, 121 N. Y. 328; Third Nat. Bank vs. Haug [Mich. 1890] 47 N. W. 33; Assignment of Meyer [Wis.] 48 N. W. 55; Chemical Bank vs. Armstrong, 59 Fed. 372, 8 C. C. A. 155.)

The Receiver argues that these decisions should not apply, because since then a more comprehensive insolvency law was enacted in this State (Gen. Laws 1896, c. 274), which, in section 29, provides that claims of secured creditors may be allowed to the extent of the debt due over and above the value of the securities. We think that this statute is not controlling in this case, for two reasons: (1) This proceeding is not under the insolvency law, but it is a special statutory proceeding under Gen. Laws 1896, c. 178, § 42 *et seq.* Under Gen. Laws 1896, c. 240, § 1, "statutory proceedings, so prescribed by statute, shall follow the course of equity so far as the same is applicable." Gen. Laws 1896, c. 178, § 45, provides, referring to the appellate division of the Supreme Court: "Said court shall have the same power and authority over the Receiver, his acts and accounts, as is exercised by courts of equity in like cases." It also provides for injunctions in the proceedings. These provisions are equivalent to prescribing that the proceedings shall follow the course of equity. If so, it is also equivalent to prescribing that the acts of the Receiver shall follow the equity, and not the insolvency, rule. The equity rule, as above stated, gives the creditor the right to a dividend on his debt. The chapter also directs the Receiver to pay the debts ratably, if there shall not be sufficient to pay the whole, and not, as in the insolvency law, to pay on the balance over securities. In Cook County Bank vs. United States, 107 U. S. 445, it was held that a bankrupt law had no application to the winding up of a National bank under a separate statute. (2) Since the insolvency law was passed, a National bankrupt act has been adopted by Congress, the effect of which, as stated in Matter of Reynolds, 8 R. I. 485, 5 Am. Rep. 615, suspends the State legislation on the same subject. If the statute, as a whole, cannot be applied to a case within the purview of the bankrupt act, we see no reason why certain provisions should be picked out of it, and applied to a case under another statute. We are therefore of opinion that the insolvency law has no application to the case at bar, and that the rule in equity as to distribution should be followed. Under this rule the Bowling Green Company is entitled to dividends on its entire debt.

The same rule also applies to the claim of the Western National Bank. This bank holds the note of the insolvent bank, the Merchants' Bank of Newport, for $9,500, and certain other notes transferred to it, as collateral, by the indorsement of the insolvent bank. It claims that the indorsement constitutes a debt, the notes not having been paid. The question is whether it is entitled to dividends on this liability as well as upon the original debt.

We are referred to no cases, and we know of none, which sustain the proposition that a creditor may have dividends on a collateral as well as an original debt; nor can we see, on principle, why it should be so. It is true that the insolvent bank is, in a sense, a debtor by reason of its indorsement; but the debt is the primary obligation, and the collateral is secondary. The bank does not owe two debts, but one. It is on this one debt that it is entitled to its dividend. One does not increase his debt by giving security, although the form of transferring the security may be such as to give a right of action on it. It is still a subsidiary and conditional liability. If an insolvent owed a debt for goods, and gave a note for the amount, that would not discharge the debt, without special agreement. (Wheeler vs. Schroeder, 4 R. I. 383; Wilbur vs. Jernegan, 11 R. I. 113; Nightingale vs. Chafee, 11 R. I. 609.) The creditor might sue upon either, yet no one would claim that he would be entitled to a dividend on both because he had a cause of action on each. To do so would be grossly inequitable to other creditors, by giving him a double dividend for one debt; yet it would not be different, in substance, from the claim here made for a dividend on the collateral notes. A creditor is entitled to a dividend only on his debt. If he holds collateral, he may also realize from it what he can, but that is not a debt, within the meaning of the rule in equity, nor one on which he should take dividends to the loss of other creditors. We find these views fully sustained by Third Nat. Bank vs. Eastern R. R. Co. 122 Mass. 240, and First Nat. Bank vs. Williamson (Tenn. Ch. App. 1895) 35 S. W. 573.

We are of opinion that the Western National Bank is entitled to a dividend only on its debt of $9,500.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

BANKER—CHECK—CONVERSION—CROSSED CHECK PAID INTO CUSTOMER'S ACCOUNT—FORGED INDORSEMENT—CREDIT GIVEN TO CUSTOMER BEFORE CHECK CLEARED—DRAFT BY ONE BRANCH OF BANK ON ANOTHER—BILLS OF EXCHANGE ACT, 1890, SEC. 81.

CAPITAL AND COUNTIES BANK LIMITED AND GORDON VS. LONDON CITY AND MIDLAND BANK LIMITED, *et al.*

STATEMENT OF FACTS: The facts material to the first appeal are taken in substance from Lord Lindley's judgment:

Gordon, who traded as Gordon & Munro, was the holder for value of crossed checks, drawn by various persons on various banks, and payable to Gordon & Munro or order. Gordon had a clerk named Jones, who forged indorsements in the name of Gordon & Munro on these checks, and then took or sent them to the Capital and Counties Bank, where he had an account. Jones also indorsed them in his own name, and the bank credited his account with the amounts, and he drew on his account whilst the amounts of the checks so paid in stood to his credit. The bank manager dealt in this matter with perfect *bona fides* and without negligence, having no suspicion that anything was wrong. He said he held the checks until he received payment for Jones and credited his account with the proceeds, and that he received the checks in the ordinary course of banking business, and that all the checks were collected for Jones.

The bank manager was not cross-examined on these answers; but there is some ambiguity about them. The documents and accounts, however, show exactly what was done, and it is plain that the bank did not wait until the checks paid in by Jones had been passed through the clearing-house before their amounts were placed to his credit. They were placed to his credit when he paid the checks in; and he was allowed to draw upon his account increased by them as above stated. None of the checks were ever returned to the bank; they were all duly honored, and the appellant bank received their amounts in due course from the banks on which they were respectively drawn. Afterwards Jones' frauds were discovered, and he was prosecuted and convicted. Gordon, who had been robbed of the checks and wrongfully deprived of the money represented by them, brought an action against the bank to recover that money which the bank had received under the circumstances above described.

The two actions were tried by Bucknill, *J.*, with a jury. The jury found in each case that the banks had not been guilty of negligence in taking the checks. All other questions were left to the learned judge, it being admitted that the banks had acted in good faith. Bucknill, *J.*, entered judgment for the defendants on the main question in both appeals, and for the plaintiff as to class 1 in the second appeal.

The Court of Appeal (Collins, M. R., Stirling and Mathew L. JJ.) entered judgment for the plaintiff in the first appeal for the amount claimed; and in the second appeal for the plaintiff as to classes 3, 6, and 8. Against these decisions so far as they were adverse to them, the banks respectively brought the two present appeals.

The following is a copy of sec. 81:

"Where a bank, in good faith and without negligence, receives for a customer payment of a check crossed generally or specially to itself, and the customer has no title, or a defective title thereto, the bank shall not incur any liability to the true owner of the check by reason only of having received such payment."

JUDGMENT (LORD MACNAGHTEN): My Lords, I am sure I need not trouble the House by recounting in detail the facts of these cases or describing the classes into which, for the sake of convenience, the drafts forming the subject of this litigation have been divided. It will be enough, I think, to remind your Lordships that all the drafts now in question were stolen from the respondent, Gordon, trading in Birmingham under the style of Gordon & Munro, by a man called Jones, who was Gordon's ledger clerk for about ten years. Jones himself lived in Sparbrook. Unknown to his employer, he carried on a small business of his own as a coffin furniture maker in Birmingham. In the name of the firm under which he traded, he kept an account with the Birmingham branch of the Capital and Counties Bank, and also with the Sparbrook branch of the London City and Midland Bank. To one or the other of these accounts Jones paid all the drafts which he stole from Gordon, forging the necessary indorsement when the draft was payable to order on demand, as was generally the case. When the fraud was discovered and Jones had been prosecuted and convicted, Gordon brought an action against each of the two banks for conversion of such of the stolen drafts as could be traced to its hands, with a count in the alternative for money had and received to his use.

The actions came on to be tried before Bucknill, *J.*, and a special jury. The only question left to the jury was the question of negligence. The result of the findings of the jury on this point was in favor of the banks.

All other questions were reserved for the judge. On the principal matter in controversy, Bucknill, *J.*, gave judgment for the banks. This decision, however, was reversed by the Court of Appeal.

The main question raised in these two appeals, and the most important as regards amount, related to crossed checks payable to order on demand drawn on banks other than the bank which was being sued. It is not disputed now that as regards these checks there can be no defence, unless protection is afforded by sec. 81 of the Bills of Exchange Act, 1890, which declares that "where a banker in good faith and without negligence receives pay ment for a customer of a check crossed generally or specially to himself, and the customer has no title or a defective title thereto, the banker shall not incur any liability to the true owner by reason only of having received payment."

Now it is admitted that each of the two banks acted in good faith. The suggestion of negligence on their part has been negatived by the findings of the jury. It cannot be denied that Jones was a customer within the meaning of the section. The only question therefore, is: Did the banks receive payment of these checks for their customer? If they did, it is obvious that they are relieved from any liability which, perhaps, might otherwise attach to some preliminary action on their part taken in view and anticipation of receiving payment. The section would be nugatory—it would be worse than nugatory—it would be a mere trap, if the immunity conferred in respect of receipt of payment and in terms confined to such receipt, did not extend to cover every step taken in the ordinary course of business, and intended to lead up to that result.

The character in which a bank receives payment of a check is, as has been already said in this House, a question of fact. (1) To my mind, it would have been more satisfactory if the jury, under proper directions from the judge, had answered this question themselves. It was, however, withdrawn from their consideration.

The appeal was argued very fully and very ably by the learned counsel for the appellants, and especially by Mr. Cohen. And I must say that I was a good deal impressed by his argument in opening. At first sight there is not much difference between the case of a bank which at once credits a customer with the face value of a check paid in to his account and allows him to draw against his credit balance thus increased, and the case of a bank, which without crediting the customer with the value of a check before collection, allows him to overdraw his account in view of the anticipated credit. In each case it was said the credit is only provisional, whether entered in the customer's account or not. In each case it was said payment received is received for the customer. And in a sense that is true. Then it was urged with some force that practically the only result of upholding the decision under appeal will be to compel some bankers to keep a double set of books where now only one set is required, and thus to impose upon bankers a good deal of extra and perhaps unnecessary trouble. But the protection conferred by sec. 81 concerned only a banker who receives payment for a customer—that is, who receives payment as a mere agent for collection. It follows, I think, that if bankers do more than act as such agents, they are not within the protection of the section. It is well settled that if a banker before collection credits a customer with the face value of a check paid into his account, the banker becomes holder for value of the check. It is impossible, I think, to say that a banker is merely receiving payment for his customer and a mere agent for collection when he receives payment of a check of which he is the holder for value.

So long as a bank has for its customers only persons of position with whose circumstances the manager is fully acquainted, as is not unfrequently the case in country districts, where one bank by arrangement with its competitors has a monopoly, it matters little whether the bank at once credits a customer with the face value of checks paid into his account or waits until collection. The bank only looks to its own customers. But Parliament may have thought that in the increase of banking business likely to arise in consequence of the legislation with respect to crossed checks, and the competition sure to follow, it would not be improbable that small accounts might be opened with banks by persons of little or no credit, and that it might be a dangerous thing to extend protection to bankers dealing with crossed checks in all cases, whether they acted simply as agents for collection or in a different character. Or possibly at the time bankers asked for no further protection than that which sec. 81 purports to confer. However that may be your Lordships have only to construe the language of sec. 81 in connection with the language of the other sections of the act bearing on the point.

It seems to me, my Lords, that the decision of the Court of Appeal on this question, which is the main question involved, is perfectly right. In the judgments of the learned judges of the Court of Appeal, and especially in the judgment of Collins, M. R., I find the subject dealt with so completely both as regards the history of the legislation and the principles and decisions applicable to the case that, speaking for myself, I think it would be a waste of time to do more than say that I accept their view. It appears to me that the Master of the Rolls has accurately summed up the whole case. "The protection afforded by sec. 81 must," he said (1), "be limited to that which is necessary for the performance of the duty which by the legislation as to crossed checks was imposed on bankers. If bankers deal with crossed checks in the ordinary way in which bankers dealt with checks before the legislation as to crossed checks and in which they deal with checks other than crossed checks at the present time, namely, by treating them as cash, and upon receipt of them at once crediting the customer with the amount of them in the ordinary way instead of making themselves a mere conduit pipe for conveying the check to the bank on which it is drawn and receiving the money from that bank for their customer, I think they are collecting the money, not merely for their customer, but chiefly for themselves, and therefore are not protected by sec. 81."

On all other questions that have been raised I agree with the Court of Appeal except as regards the small drafts of which class 3 is composed. On this point I agree with my noble and learned friend Lord Lindley, whose opinion I have had the advantage of reading. It is a very small point and ought not, I think, to make any difference as regards the cost of the appeal.

Subject, therefore, to a slight variation as regards these drafts, amounting to £32, 15s. 8d., I move your Lordships that the decrees be affirmed and the appeals dismissed with costs.

CONTRACT—PERFORMANCE PREVENTED BY ACCIDENT—CHECK GIVEN IN PART PAYMENT BEFORE PERFORMANCE WAS RENDERED IMPOSSIBLE—PAYMENT OF CHECK STOPPED—RIGHT TO RECOVER ON CHECK.

ELLIOTT vs. CRUTCHLEY (1903, 2 King's Bench, p. 476).

STATEMENT OF FACTS: This was an action brought upon a check given by the defendants in June, 1902. The plaintiff is a caterer with whom the defendants had entered into an agreement to supply them with refreshments on a steamer chartered for the purpose of witnessing a naval review. The agreement provided for the payment to the plaintiff of $1,500 on June 23, and on that date a check for this sum was given to the plaintiff. On June 24 it became known that the naval review would not be held, and the defendants stopped payment of their check. A letter from the defendants stipulated that in the event of the cancellation of the review before any expense was incurred by the contractor, there should be no liability on the part of the defendants. On the evidence the trial judge found that no expense had been incurred by the contractor within the meaning of the contract.

JUDGMENT (RIDLEY): The principle of law applicable has been laid in several cases, and appears to be that where performance becomes impossible from some cause for which neither party is responsible, and the party sued has not contracted or warranted that the event, the non-occurrence of which has caused the contract to be impossible of performance, shall take place, then the parties are excused from further performance of the contract. In the present case, if the money had been paid in cash, it must have remained in the plaintiff's hands. But the check, which was sent to the plaintiff, having been stopped, what is the position of the parties? According to the cases, it is as though it had never been given. The debt remains in such a case as though there had been no check, and the party to whom it was sent is remitted to his original right on the consideration for the check. Adopting this here, if each party is to rest in the position in which he was found when the event occurred, the defendants are entitled to succeed. Their right to do so depends on the accident that the check was not presented by the plaintiff; but it is none the less their right, and it is in accordance with the merits of the cases, for the money was to be paid on account of the refreshments to be supplied, and the plaintiff has expended nothing on that account, and therefore has done nothing to earn it.

REPLIES TO LAW AND BANKING QUESTIONS.

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

A reasonable charge is made for Special Replies asked for by correspondents—to be sent promptly by mail.

Editor Bankers' Magazine: ST. CLOUD, Minn., October 25, 1908.

SIR: A Milling Company of Indiana draws a draft for $500 with bill of lading attached, for flour sold parties in Washington, N. C., and deposits the draft in their home bank for collection. This bank sends the draft to Louisville, Ky. L sends it to Baltimore, Md. B sends it to Newbern, N. C. (a point seventy-five miles beyond destination of shipment). Newbern sends it to Washington bank who makes the collection from consignee. The Washington bank remits to Newbern. The Newbern bank fails before Baltimore received payment.

Who should stand the loss? Would it alter the case if drawer had deposited the draft in home bank and received credit therefor? W. W. SMITH, *Cashier.*

Answer.—The Supreme Court of Minnesota, following the English and New York decisions, has held that a collecting bank is responsible for the neglect or default of the correspondent or other agent to which it transmits the paper. (Streeissguth vs. National American Bank, 43 Minn. 50.) And the same rule prevails in the Federal courts. (Exchange Nat. Bank vs. Third Nat. Bank, 112 U. S. 276.) Under this rule the liability of the collecting bank extends to any failure of the correspondent to pay over the proceeds of the collection. The leading case upon the subject is the English case of Mackersy vs. Ramsay (9 Cl. and F. 818). There the collection had been made by the house in Calcutta, which was acting as the agent of Coutts & Co., the London correspondent of Ramsay & Co., but the money was lost by the subsequent failure of the Calcutta firm. It was held by the House of Lords that Ramsay & Co. were liable to their customer for the amount. In the course of his opinion in this case Lord Cottenham said: "I cannot distinguish this case from the ordinary transactions between parties having accounts between them. If I send to my bankers a bill or draft upon another banker in London, I do not expect that they will themselves go and receive the amount and pay me the proceeds, but they will send a clerk in the course of the day to the clearing-house and settle the balances in which my bill or draft will form one item. If such clerk, instead of returning to the bankers with the balance should abscond with it, can my bankers refuse to credit me with the amount? certainly not. If the bill had been drawn upon a person in York, the case would have been the same, although, instead of the bankers employing a clerk to receive the amount, they would probably employ their correspondent at York to do so; and if such correspondent received the amount, am I to be refused credit because he afterward became bankrupt while in debt to my bankers? If the balance were not in favor of my bankers, the question would not arise, so that my title to the credit would depend upon the state of the account between my bankers and their correspondent. The amount in money was received by the correspondent of my bankers at York; as between me and them, it was received by them, and nothing which might subsequently take place could deprive me of the right to have credit with them for the amount." (See, also, Simpson vs. Walby, 63 Mich. 451; Power vs. First Nat. Bank, 6 Mont. 276.)

Under this rule, the Baltimore bank would be liable to the Louisville bank, which in turn would be liable over to the Indiana bank, and the last-named bank would be liable to its customer; the Milling Company must look directly to the Indiana bank, and has no remedy against any of the other banks. (Hoover vs. Wise, 91 U. S. 308; Montgomery County Bank vs. Albany City Bank, 7 N. Y. 459.)

In some other States a different rule prevails, and it is there held that where the employment of a correspondent or other agent is necessary or customary, the duty of the collecting bank is fully discharged if it exercises reasonable care in the selection of such correspondent or agent, and that when the paper has been duly transmitted with the necessary instructions to a suitable agent at the place of payment, the transmitting bank will not be liable for any neglect or default of such agent. (Lawrence vs. Stonington Bank, 6 Conn. 521; East Haddam Bank vs. Scovil, 12 Conn. 303; Waterloo Milling Co. vs. Kuenster, 158 Ill. 259, 58 Ill. App. 61; Anderson vs. Alton Nat. Bank, 59 Ill. App. 587; Guelich vs. National State Bank, 56 Iowa, 434; Lindborg Bank vs. Ober, 31 Kan. 599; Jackson vs. Union Bank, 6 Har. and J. [Md.] 146; Citizens' Bank vs. Howell, 8 Md. 530; Fabens vs. Mercantile Bank, 23 Pick. [Mass.] 330; Dorchester, etc. Bank vs. New England Bank, 1 Cush. [Mass.] 177; Louisville Third Nat. Bank vs. Vicksburg Bank, 61 Miss. 112; Commercial, etc. Bank vs. Hamer, 7 How. [Miss.] 448; Ivory vs. State Bank, 36 Mo. 475; Millikin vs. Shapleigh, 36 Mo. 596; Pawnee City First Nat. Bank vs. Sprague, 34 Neb. 318; Planters, etc. Nat. Bank vs. Wilmington First Nat. Bank, 75 N. C. 534; Columbia Second Nat. Bank vs. Cummings, 89 Tenn. 609; Sahlien vs. Lonoke Bank, 90 Tenn. 221; Stacy vs. Dane County Bank, 12 Wis. 629.) This is the rule adopted in Maryland. (Citizens' Bank vs. Howell, 8 Md. 530; Jackson vs. Union Bank, 6 Har. and J. 146.) The question does not appear to have been decided in either Indiana or Kentucky. The first-mentioned rule is also frequently modified by an express arrangement made between the bank and its depositors.

Editor Bankers' Magazine: LINCOLN, Neb., Oct. 22, 1903.

SIR: Will you kindly answer through your MAGAZINE and advise whether in your opinion the clauses usually incorporated in promissory notes are binding, and if any part is not binding, which it is. We should like to have this answer as in reference particularly to the laws, practice and decisions of the courts of our own State as well as the decisions of courts in general.

"The makers, endorsers and guarantors of this note hereby severally waive presentment for payment, notice of non-payment, protest and notice of protest, and diligence in bringing suit against any party thereto, and sureties consent that the time of payment may be extended without notice thereof."

If the above clause is valid and binding, will it also hold any parties who have endorsed note on back, or will it simply hold those who have signed on face as sureties or endorsers?

It is also held by some parties that the "married woman's" clause as noted below, and as in common use here, is not binding, especially if it can be shown that the signature of the woman was simply for accommodation. Will you kindly answer as to that clause also?

"And I ——, being a married woman, do execute this note with especial reference to, upon faith and credit of, and with the intention to charge my individual property for its payment."

NOTE CLAUSE.

Answer.—(1) It has been held in a number of cases that a waiver of this character embodied in the instrument is binding upon all persons who place their signature thereon, whether upon the front or back. (Phillips vs. Dippo, 93 Iowa, 35; Smith vs. Pickham, 8 Tex. Civ. App. 326; Bryant vs. Merchants' Bank, 8 Bush. 43; Lowry vs. Steele, 27 Ind. 168; Farmers' Bank of Kentucky vs. Ewing, 78 Ky. 264; Bryant vs. Taylor, 19 Minn. 396.) We do not find that this precise question has ever been decided in Nebraska.

(2) It seems to be well established in Nebraska that the notes of a married woman are binding upon her when made with reference to her separate property, or upon the faith or credit thereof. (Godfrey vs. Megahan, 38 Neb. 748; Grand Island Banking Co. vs. Wright, 53 Neb. 574.) And even though there be no clause in the note to this effect, her purpose to so charge her separate property may be shown by other evidence. (Godfrey vs. Megahan, 38 Neb. 748; Grand Island Banking Co. vs. Wright, 53 Neb. 574.) So it is well settled in that State that a married woman may contract as surety for her husband. (Smith vs. Spaulding, 40 Neb. 339.) And that where as such surety she signs a note containing a clause pledging her separate estate, the note is binding upon her. (Briggs vs. First Nat. Bank, 41 Neb. 17.) The loan to her husband is a sufficient consideration to bind her although she personally receives no consideration. (*Id.*) So an extension of the time of payment granted to her husband is a sufficient consideration to support her contract. (Smith vs. Spaulding, 40 Neb. 339.) We do not see, therefore, why the clause referred to in the question is not effectual, even though the signature of the married woman be for accommodation. But the note is not enforcible against the after-acquired property of a married woman; it can be enforced only against the property of which she was possessed at the date of the contract. (Kocher vs. Carnell, 59 Neb. 315.)

American Institute of Bank Clerks.

Editor Bankers' Magazine:

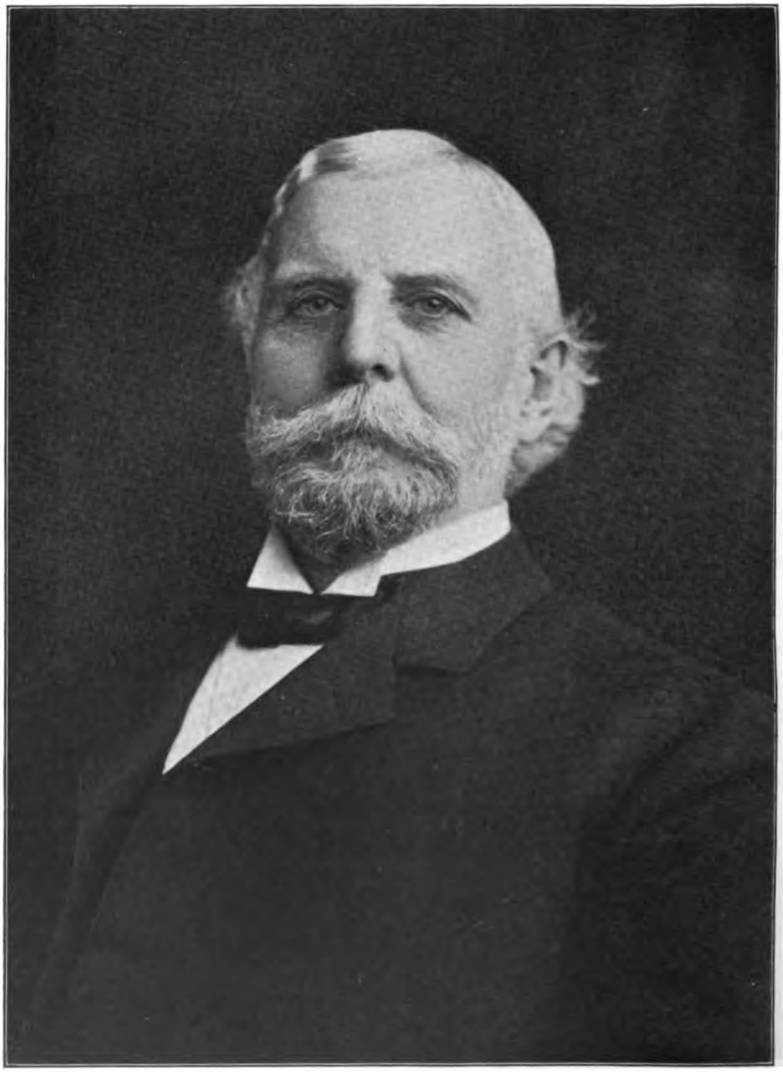
SIR: Assuming from what I have seen of your MAGAZINE that you desire to treat all subjects fairly, I wish to call your attention to an article in your October number bearing upon the convention of the American Institute of Bank Clerks. In this article you make the following statement: "There was, it is said, some manifestation of a desire to cut loose from the American Bankers' Association and run the Institute of Bank Clerks as an independent affair."

As an irresponsible newspaper did publish something of the kind, the phrase, "it is said," saves the statement from being an absolute untruth. It does not, however, prevent it from conveying a false impression which does great injustice to all concerned in the deliberations of the convention. I was chairman of the committee on organization and attended every meeting of that body. A resolution was introduced at the first meeting of this committee offering a plan of organization. This plan contemplated relieving the board of trustees representing the American Bankers' Association of some of the irksome detail work necessary to run the institute and put it upon chapter members. It also expressly stipulated that the men appointed for this purpose should be subject to the will of the board of trustees of the American Bankers' Association, and should keep them informed of their actions through the secretary of the board. No power was delegated to the chapter representatives which was not first to be submitted to the board of trustees for their approval. The members of the committee were unanimous in their desire to conform with the wishes of the American Bankers Association in every detail, and rather than recommend the resolution to the convention, they voted to refer it to the president of the board of trustees of the American Bankers' Association before passing upon it themselves. This was done, and the recommendation of the president in regard to the matter was carried out.

In addition I desire to say that it is my firm conviction that every delegate to the Cleveland convention desired a closer affiliation with the American Bankers' Association if such a condition was possible. That is only a personal opinion, but the opportunities for forming that opinion were of the best.

Assuring you that the action of the American Bankers' Association in organizing the American Institute of Bank Clerks and their liberality in carrying it on are thoroughly appreciated by the members of the institute, I am, very truly yours, FRED. I. KENT.

CHICAGO, Oct. 24.



Hon. LYMAN J. GAGE, Ex-Secretary of the Treasury

President United States Trust Company, New York.

UNITED STATES TRUST COMPANY, OF NEW YORK.

FIFTIETH ANNIVERSARY OF THE FOUNDING OF THE COMPANY.

The United States Trust Company, of New York, was the first company organized in the United States to transact exclusively the business of a trust company. Its charter was the basis of all special charters afterwards granted to trust companies in the State of New York, as well as of the general law for the incorporation of trust companies, adopted in 1887.

The degree of success the company has attained is witnessed by the fact that the deposits in trust on June 30, 1903, amounted to $61,790,595.46, while the entire resources footed up $76,917,653.58. No other company in the United States, doing a purely trust company business, can show figures equal to these. Its capital, surplus and undivided earnings aggregate over $14,000,000. But the company has not only been a success from the shareholders' standpoint, in earning dividends and accumulating a surplus, but it has rendered efficient service to the public, having distributed over $30,000,000 in the way of interest on the funds entrusted to its keeping.

The United States Trust Company was incorporated by special act of the Legislature, April 12, 1853. Its incorporators included Peter Cooper, John J. Phelps, Erastus Corning, Shepherd Knapp, Wilson G. Hunt, Royal Phelps, John J. Cisco, Charles E. Bill, Gerard Stuyvesant and Jacob Harsen. These men have all passed away, but the company remains as a monument to their foresight and wisdom.

On June 10, 1853, the board of trustees became duly organized. John A. Stewart was appointed Secretary. At a meeting of the board held June 14, 1853, Joseph Lawrence was elected President. Owing to failing health, Mr. Lawrence resigned in May, 1865, and John A. Stewart was elected President. The present year marks the fiftieth of Mr. Stewart's close connection with the affairs of the company. Resigning his office a few months since, he was appointed Chairman of the Board of Trustees, so that while relieved from arduous and confining service, the company retains the benefits of his knowledge and counsel.

On the resignation of Mr. Stewart he was succeeded as President by Hon. Lyman J. Gage, who was for many years Cashier, and later President, of the First National Bank, of Chicago, and ex-Secretary of the Treasury.

The other officers are: First Vice-President, D. Willis James; Second Vice-President, James S. Clark; Secretary, H. L. Thornell; Assistant Secretary, L. G. Hampton.

Board of Trustees: John A. Stewart, Chairman; Samuel Sloan, D. Willis James, John Harsen Rhoades, Anson Phelps Stokes, John Crosby Brown, Edward Cooper, W. Bayard Cutting, Charles S. Smith, William Rockefeller, Alexander E. Orr, William H. Macy, Jr., William D. Sloane, Gustav H. Schwab, Frank Lyman, George F. Vietor, James Stillman, John Claflin, John J. Phelps, John S. Kennedy, D. O. Mills, Lewis Cass Ledyard, Marshall Field, Lyman J. Gage.

The United States Trust Company rendered effective service to the Government in providing funds to aid in carrying on the war for the Union, its then Secretary, Mr. John A. Stewart, at the earnest request of President Lincoln, accepting appointment as Assistant Treasurer at New York from 1864 to 1865. In the several financial crises occurring from time to time the company has been foremost in the work of sustaining public credit.

The United States Trust Company is typical of the best of such corporations, and the great success it has achieved is a strong tribute to the wisdom of its founders and the continuous fidelity and capacity of its management.

THE LABOR PROBLEM.

[From the annual address of President I. E. Knisely, delivered before the annual convention of the Ohio Bankers' Association at Columbus, Ohio, September 23.]

There are other questions the banker should be interested in, and none more important than the labor problem. Little notice or interest has been taken by them in this matter, yet they can all see how labor troubles affect their business, interfere with the use of money and deplete deposits.

These conflicts between labor and capital are assuming larger proportions than ever. The forces on both sides are lining up with greater determination; there has been almost a craze for organizing labor unions in the last few years, and now the manufacturers are organizing to oppose them, and not only manufacturers but in other lines of business the same steps are being taken.

While we are at loggerheads about financial questions, we are neglecting our preparations for taking a hand in the settlement of these labor questions. The employer and the laborer are both customers of the bank, while the banks represent capital it is not true that they are on the side of capital in these controversies. They are not employers in the sense that manufacturers are; they have no differences with their help. The capital of the banks is owned by the stockholders, but the bulk of the capital they represent is deposits, and these come from both employers and laborers. The Savings banks particularly are the depositories of the working people. Then it is not true that the bankers are to be classed with employers in their conflicts with labor unions.

What part shall bankers take in this controversy? They have a right by reason of their own interest, and to protect the investments they make to promote the business in which these struggles arise, to have something to say, and beyond this their relation to both laborer and employer gives them great influence, and they ought to interfere. But let me ask how many bankers have formed definite opinion as to the just rights of the laborers in their dealings with their employers. We ought to have our minds made up, but to do this to the satisfaction of our consciences is a serious work.

When we think of our views twenty-five years ago, or even ten or five years ago, and what we now acknowledge, can we imagine what our opinions will be that many years hence, and when the laborers look back the same number of years, and take account of their condition then and now and find that both they and their employers are better off and that it has not made the employer poorer to help them more, can we find fault with their reasoning?

One of the most eminent and conservative labor leaders in our country, when asked the question, whether the bankers would not be good arbitrators in labor troubles, said "no," and he assigned as a reason that the banker could not put himself in the laborer's place so as to understand his side of the question.

Who and what is the American born laborer? He was taken as a child and put into our free schools, and given at least a fair education. In the same schools he associated with all classes. He was taught that he had the same birthrights—life, liberty and the pursuit of happiness—that could enure to the richest. As he grew up he saw laws made to ameliorate the condition of the working people—laws to protect American labor, made for him, not for the capitalists. That is what we have done for him, what we have made him. When now he looks at the great buildings where the industries of our country are carried on and the brick and mortar, iron boilers and machinery, he feels that when they were projected the cost of the brick and mortar and machinery were all carefully calculated, and with these the cost of his brain and muscle was calculated in the same as these dead things, and he had no more hope than they in those enterprises, you can understand his feelings.

In some countries the laborer may be content to earn sufficient to give him food to sustain life and clothes to cover his body, but here he wants more, and our education of him is the cause of his wanting more. We have given him capacity to enjoy more, and he is justly entitled to it.

Before bankers can have much influence with labor organizations it will be necessary to come into closer relations. Bankers are not popular with them; they have been regarded as capitalists. The socialistic element has a special hatred for banks. No effort has been made to explain the true relation that ought to exist between them, and there ought to be no hostile feelings. If there is anything in the banking system or business which cannot stand the searchlight of public opinion it ought to be abolished. What ought to be our views? Do bankers approve of labor unions? Who of you, if making a public address, upon the subject, but would say, yes. Some sincerely and some with a mental reservation. But there ought to be no question about it. Labor has the right to organize. Men organize banks; great corporations are formed—these to make money. The labor organizations are for the bettering of the working classes, and have a higher and better object than the other. Do we approve of strikes? No; unhesitatingly, no. And it has become a serious question with the older labor unions, whether a strike ought to be resorted to. We believe workmen may quit their job, may quit in a body, but when they do so they must give their employer the right to fill their places, and they must yield the right to other men to take their places. They have a right to quit if they violate no contract in doing so; if they expect to hold the employer to a contract, they must submit to be bound likewise.

The public has been patient with the abuses of labor organizations, with the interruptions of business, the infractions of the law and the destruction of property, and the lives of citizens. Public opinion when it turns against them will soon make them a mockery.

There is a better method; let the unions be organized upon right principles; let law and public sympathy be their weapons, to be used if the employer is oppressive. These are things for the employer to understand too. His obligations to the employee to-day are not the same as they were twenty years ago. He expects less and exacts less. Not that absolute rights change, but the rights become better adjusted. And there is no difference between the rights of intelligent American born labor and ignorant foreign born labor which we have amongst us. We cannot have a code for the one and a different one for the other.

This question will be adjusted sooner or later. I remarked that labor unions ought to be organized upon sound principles. An association that can have no standing in a court; that cannot be reached by legal process; that has no responsibility in law, is not the kind of organization that commends itself to anybody. There are three parties in case of strikes—the employer, the unions and the public, and in the majority of cases the public determines the result. No general strike will ever win without public sympathy. The aim of labor unions is a noble one.

Labor and capital will never come together through hostile means. There can be no combination of employers that can force labor to come to their terms, and there can be no union strong enough that can force its own terms upon employers. The public won't stand for it. The only method must be an agreement in which both sides have a voice.

GEORGE W. YOUNG.

PRESIDENT UNITED STATES MORTGAGE AND TRUST COMPANY, NEW YORK.

The United States Mortgage and Trust Company has recently moved into its new and more capacious banking rooms in the Mutual Life Building at 55 Cedar street, New York.

Mr. George W. Young is President of the company, and under his able management its paid-in surplus of $500,000 in 1893 has been augmented by profits, until the surplus and undivided profits now amount to $3,609,000. This aggregate is exclusive of $1,790,000, distributed in dividends on its $2,000,000 paid-in capital.

Mr. Young was born of Scotch-Irish parentage in Jersey City, on July 1, 1864, and attended the public schools of that city, afterwards taking the evening scientific course at Cooper Union.

At the age of thirteen he entered the employ of the law firm of L. & A. Zabriskie as an office boy, and subsequently, for a time, studied law.

Shortly after, he secured a position in the Hudson County Bank, of Jersey City, and when only eighteen was promoted to the position of receiving teller. At this time he successfully passed a competitive examination for a cadetship at West Point, and received his commission from President Arthur; but the death of his father rendered necessary his retaining his position in the bank.

When barely past his majority, he became Secretary and Treasurer of the New Jersey Title Guarantee and Trust Company. At twenty-eight he was elected Second Vice-President and Treasurer of the United States Mortgage Company (now United States Mortgage and Trust Company), and at the age of twenty-nine was chosen its President; commanding recognition at once as not only one of the youngest but one of the most able New York leaders in the world of business and finance.

Mr. Young was instrumental in the formation and successful establishment of The Audit Company of New York, Commercial Trust Company of New Jersey, Jersey City Trust Company, Perth Amboy Trust Company and the Windsor Trust Company; and, in addition to being a director in these and in his own company, serves as a director in the following corporations:

National Bank of Commerce, Acker, Merrall & Condit Co., Anacostia & Potomac River Railroad Co., Atlantic Securities Co., Bayonne Bank, Brightwood Railway Co., Buffalo Hump Mining Co., Casualty Company of America, City & Suburban Homes Co., City & Suburban Railway Co., Clarksburg Fuel Co., Columbia Railway Co., Continental Investment Co., Eastern Steel Company, Empire State-Idaho Mining & Developing Co., Fairmont Coal Co., Federal Mining & Smelting Co., Georgetown & Tennallytown Railway Co., Interborough Rapid Transit Co., Lawyers' Surety Co. of N. Y.; Mechanics' Trust Co. of Bayonne; Metropolitan Railway Co., Washington, D. C.; N. J. & Hudson River Railway & Ferry Co., N. Y. Dock Co., Northern N. J. Land Co., O'Rourke Engineering Construction Co., Potomac Electric Power Co., Rapid Transit Subway Construction Co., Registrar & Transfer Co., Somerset Coal Co., Third National Bank, Jersey City, N. J.; Trinity County Gold Mining Co., U. S. Fidelity & Guaranty Co., U. S. Safe Deposit Co., Washington Investment Co., Washington Railway & Electric Co., Washington & Rockville Railroad Co., Wolff National Chemical Co.

Mr. Young is a member of the Country Club of Lakewood, Deal Golf, Downtown, Lawyers', Manhattan, Maryland, Metropolitan of Washington, Players', Racquet and Tennis, Riding, and Rockaway Hunting.

In November, 1889, Mr. Young married Miss Natalie Bray, of Jersey City, and their children are Dorothy and George Washington, Jr.

Besides their New York residence, they have a charming summer home, "Oakwood Farm," adjoining the Deal Golf Club at Deal Beach, of which club Mr. Young is president.

GEORGE W. YOUNG

President United States Mortgage and Trust Company, New York.

*THE PRACTICAL WORK OF A BANK.

EMBEZZLEMENTS AND DEFALCATIONS.

III.

In these days of great corporations and combinations of capital the highest types of administrative ability and the most complete systems of accounting are necessary.

The merit of any system lies in its completeness, combined with simplicity. It must cover every point involved; it must avoid any ambiguity or chance for misunderstanding, and it must provide ample means for verifying every item. One of the chief advantages of double-entry bookkeeping consists in its check for proving work by trial balance.

No infallible system of checking nor way of preventing errors has yet been discovered, so the next best thing is to locate the mistakes, eliminate them, and verify the work.

The first default of many a Cashier and bookkeeper came from an unlocated error. After worrying perhaps for half a night, trying to find the difference, a fictitious entry is finally slipped in to make the books balance (for you know they must balance to a cent), and the poor tired man seeks his couch with a whitewashed conscience. Of course this does not make matters right, even with the records, for the genuine accountant will dig up the facts and expose the fraud. But how often is it the case that a clean balance-sheet is scanned in a perfunctory manner and the true facts not developed as they would be by a thorough, conscientious audit. Therefore, for the sake of his future character, as well as present safety, this first step aside from the path of rectitude should not be taken. Like the drink habit, it grows easier. The drunken sot might have been a respected citizen if he had only kept this easy and safe rule, "Do not take the first drink."

Errors are usually made through simple inadvertence and they must be found and corrected, never taken advantage of, no matter how great the temptation.

Various Safeguards Described.

In order to verify accounts it has been suggested that rotation in office is a good plan. One man might be satisfied with his bookkeeping, when another would detect serious faults in his neighbor's or even in his own on comparison. What one approves another will condemn. In such cases silence is not the remedy, but let the issues be joined till right prevails. This is not so easy as acquiescence, but what is wanted is improvement, the best thing.

Bookkeeping is, presumably, an exact science. Professing perfection, to know it is correct we must have indisputable evidence on every point; a checked bill for every credit; a proper acknowledgment for every debit; a clear statement for every receipt and a signed voucher for every payment.

The man in charge of a business should not only be familiar with its details and require every one kept up, but should also master all the combinations and relations of parts. A staircase may be very elaborate and ornate, but if it does not fit

* A series of articles to be published in competition for prizes aggregating $1,050, offered by The Bankers' Magazine. Publication of these articles was begun in the July, 1901 number, page 18.

into the walls and connect the floors as intended it is no less a failure. So system in business must be complete in whole as well as in detail.

The bank teller's statement must exactly coincide with the exchange, collection, discount and individual books. The Cashier must know that all these accounts have been verified by thorough systematic checking; that the accounts as they appear on the ledgers agree with the customers' books; that the bills discounted account exactly agrees with the total of bills on hand; that cash, stocks, bonds, etc., are carefully counted from time to time and tally with cash account and other assets claimed on statement. Make this not so much as an occasional investigation but as a rule to be conscientiously carried out so that carelessness, which too often becomes criminal, will be avoided.

As to how this revision of business can be best accomplished perhaps no two will agree, but the main points are:

First. It must be honest.

Second. It must be thorough.

Third. It must be ample.

A statement may check up apparently O. K. and pass inspection without criticism and still be false as the prince of darkness himself. It is easy to hide our faults from the eyes of men, therefore honesty in business is the first virtue. To keep honest, we should pray as directed by our Master, "Lead us not into temptation." It should be made easy to do right and difficult to do wrong, hence the importance of a thorough yet simple system. The thread must not be broken, for if you cannot follow it you are lost in the labyrinth, "and the goblins will get you if you don't watch out."

Taking up the balance-sheet, every item must be verified beyond question. Take no unsupported statement on any point, from capital stock on through to cash on hand. Every correspondent bank's account must agree or be reconciled and all differences plainly shown and agreed upon. Deposits and overdraft accounts must coincide with total individual ledger balances, and these be verified by frequent balancing of pass books with acknowledgment of correctness by depositors. If they neglect to bring in books, balance the acccount anyway and send statement with special request for examination, saying if not heard from promptly account will be presumed to be correct and claims barred.

Collection items are sometimes troublesome to round up, but no investigation is complete that does not cover every point involved, and they must all be accounted for. Official court records must be examined and show status of all judgments and items in litigation.

VALUE OF ANALYTICAL STATEMENTS.

No system is up to date that does not keep up a line of comparative statements, showing relative volumes, profits and losses in the various lines and accounts, so that needed changes can be made, the profitable accounts nursed and the unprofitable doctored or killed off. Attention being specially drawn to any variation from the normal standard, consequent investigation may uncover an ulcer on the body politic.

CHARACTER THE BEST SAFEGUARD.

All this attention to system and detail will not avail against the man who is weak and dishonest and runs off with the bag. Strong moral character is the main element in the trusted employee, agent, clerk or banker. This is often hard to determine. It is not reputation though near akin to it, the latter being the public estimate of the former, so for practical purposes they are almost synonymous. Reputations, like bank statements, are subject to scrutiny and revision in order to verify characters and conditions. Prove all things; hold fast that which is good; cast out that which is evil.

In testing character it is often unnecessary to go far to condemn the subject and close the incident. If a man lives beyond his own resources or incurs liabilities exceeding his ability to meet, it is evidence sufficient to prove his dishonesty. If he frequents the saloon, race course, gameroom or other places of vice and temptation, it is not reasonable to suppose that he will be scrupulous in business, doing his duty with a clear, pure mind. The whole man, moral, mental and physical, must be kept in true equipoise in order to do good work. Abnormal strains do not strengthen, but weaken. In these days of improved methods and the highest economies, no man or woman should be overworked; all labor should receive its just reward and each one who does his part should have a competence for his needs and a fair surplus for enjoyment. A great temptation to dishonesty is unrequited labor. It excuses theft with the specious plea, "I take only what justly belongs to me." Another temptation is necessity, which knows no law. The parent who hears his child cry for bread would be unnatural not to use any means necessary to save it from starvation. The husband who sees his wife dying for lack of something he is not financially able to provide is sorely tempted to desperate means in order to save her life. Such conditions, however, are abnormal and should be unnecessary. The fact is they are sometimes only imaginary, but should they actually arise, a strong, Christian character will always be able to meet and handle them.

In addition to paying what is due in the fullest sense, a little commendation, if deserved, costs nothing and is generally very pleasant to the recipient. Though the salary has been paid, if done grudgingly or with no manifestation of appreciation, there will naturally be a loss of interest and a slackening of endeavor. Treat a man right, and as a rule, he will treat you right.

As to forms and working details, no set forms or rules will fit every individual case, but keeping the above general principles in mind, the active head of any concern can easily make up his own system on these lines and find profit in so doing.

A. Manhattan.

NOTICES OF NEW BOOKS.

Recent Literature on Interest—A Supplement to "Capital and Interest."—By Eugene V. Bohm-Bawerk, Austrian Minister of Finance and Honorary Professor of Political Economy in the University of Vienna. Translated by Wm. A. Scott, Ph. D. New York: The Macmillan Co.

This volume deals with theories in regard to interest and labor as an element in the cost of production. Prof. Böhm-Bawerk is a high authority on these subjects. The discussions are extremely technical in character, but are doubtless of interest and value to students of political economy.

Money, Banking and Finance. By Albert S. Bolles, Ph. D., LL.D., Lecturer in the University of Pennsylvania and Haverford College. Cloth, 12mo. 336 pages. Price, $1.25. New York: American Book Company.

This volume, while designed especially as a text-book for commercial high schools and the commercial courses of colleges, is also suited for the general reader. It is a brief, practical treatise on the theory of money, the usages of banking, and the principles of finance. The author describes the best banking practice of the day, and adds those legal principles which refer to the topics taken up. This book fills a place between treatises on methods of bank bookkeeping and works on the theory and history of money and banking. Dr. Bolles is an authority on the subject, and presents the essential principles in a clear and concise manner.

BANK SAFES AND VAULTS.

Of all the improvements made in bank equipment in late years none are more marked than the advance in the methods of vault and safe construction and the perfection of the materials used in this work. For many years it was a pretty even race between the safe-manufacturer and the burglar, but modern skill in safe building has practically distanced the ingenuity of the bank depredator. It may be said that any safe may be opened, with enough time and the proper materials at hand, but this does not impair the truth of the assertion that absolute safety has been achieved in the making of safes, considering the limitations of time and circumstances under which attacks upon them must be made.

But the primitive safes in use in many banks, and even some of the most elaborate and supposedly impregnable ones, afford but little real protection to the bank's funds and securities. However formidable some of these safes may appear to the general public, they are confidently, and too often successfully, attacked by the burglar.

There is no part of a bank's equipment to which more careful and intelligent attention should be devoted than to the matter of providing the best safes and vaults. If a bank has not attained to absolute security in this respect, it has neglected one of the principal means of gaining the public confidence. A successful attack on a bank's safes and vaults very naturally discredits the bank in popular estimation. It is well known that many people are led to put their money in banks solely for the safety thereby believed to be assured, not because they expect to use the loaning facilities of the bank. If, therefore, the bank fails in making use of every available safeguard it not only loses in the public esteem but begets a certain feeling of distrust regarding the safety of other banks from the assaults of the evilly-disposed. There are many makes of safes, all claiming superiority; but time and experience have demonstrated the falsity of several of these assumptions.

It is believed, however, that within the practicable limits of an attack upon a bank the Patent Manganese Steel Mob and Burglar Proof Safes manufactured by the Manganese Steel Safe Company, 253 Broadway, New York, are absolutely secure. These safes and vaults, the product of the well known Hibbard Rodman-Ely system, represent the maximum degree of safety which modern mechanical skill has been able to devise. The regard in which the safes manufactured by the Manganese Steel Safe Company are held is shown from the fact that they are to be found in so many institutions and that they were selected only after the exercise of the most rigid scrutiny on the part of experts.

The superior resistance these safes offer to attacks made upon them was recognized at the Paris Exposition, where in competition with the safe manufacturers of the world, the Manganese Steel Safe Company was given the highest award and a gold medal, receiving like honors at the Pan-American Exposition in 1901 and the Charleston, S. C., Exposition in 1902.

BANK NOTES AS A FIRST LIEN ON ASSETS.

[From an address by Hon. Charles N. Fowler, before the Illinois Bankers' Association.]

* * * Another observation made by Mr. Dawes is that a note that is a first lien upon the assets of the bank is a moral wrong. Now, follow me for a minute. A first lien upon the assets of the bank is a moral wrong, but if it is a moral wrong to give any class of creditors, knowingly and publicly, a first lien upon the assets of the bank, it is a moral wrong for a man to give a mortgage on his farm and give that creditor a prior lien.

Now, Mr. Dawes, while he says it is a moral wrong, he praises our present system, which is this—to give the noteholder a first lien by seizing the property immediately and setting it aside. In other words, a thing which in principle is a moral wrong if you do it this afternoon, is all right if you do it this morning.

The next proposition of the gentleman is that we have to take a qualified lien upon the assets of the bank. A qualified lien? What do you do to get this qualified lien? You start a bank, you put into it $110,000 of capital, and what do you put the capital into the bank for? To secure the depositors, everybody will say. That is your guarantee fund. But you go straight away to Washington, pay $110,000 for your bonds, bring back $100,000 of currency, and you have not left a single cent to secure your depositors.

Take another case. A bank is under a State law to-day, it has $110,000 of capital; it has it all loaned out. Probably it could loan its capital all out because it had no reserve against it. It has loaned all its capital out and it has $110,000 of deposits put in by some one. The man goes to Washington next morning and he buys $110,000 of Government bonds. With what? With the $110,000 of depositors' money. He doesn't have any other. And he takes the depositors' bonds, purchased with the depositors' money, and places them with the Government and comes back with the notes, loans the notes out in the country to this, that and the other man, and we will estimate for the purpose of the morals of the case that he loses every dollar of it. Now, my friends, is there any difference in that proposition and in allowing a bank to issue its notes without taking the depositors' money and buying the bonds to secure the notes? What we propose is simply this, that instead of your putting up bonds to secure these notes, that you shall have a right to issue Cashiers' checks or credit currency, and that these credit notes shall be a prior lien upon what you loaned these notes for, upon the capital and assets of the bank. I say there is absolutely no difference whatever in morals or in practice. He says it is a qualified lien. Why? Because it protects the depositor when you compel the banker to take this capital and go to Washington and buy an unshrinkable asset. Now, follow this unshrinkable asset for a moment, will you, and see that it does not shrink. An unshrinkable asset, and protect the noteholder? No; he don't do it to protect the noteholder, but to protect the depositor for taking away what he had to guarantee his deposit. All the capital which was put up to guarantee the depositor is invested in bonds, Mr. Dawes' unshrinkable asset. The British consols, before the South African war, were selling for 110. They are now selling for ninety. Suppose war would be declared to-morrow between the United States and Great Britain, do you think these bonds would be unshrinkable? A two per cent. bond due, in thirty years, would be worth about eighty-five, wouldn't it? What were these unshrinkable assets worth during the war? Were they worth fifty cents on the dollar? Mr. Dawes said he is in favor of an emergency currency. And it is not a new thing, for he says, we have known what it was from the time of Alexander Hamilton, in this country and abroad Why, Alexander Hamilton is my champion for credit currency. He drew the charter for the first United States bank and the second charter only copied it. He says he copied the systems of Europe. Alexander Hamilton copied nothing. It was evolved out of the matchless economic brain of Alexander Hamilton.

ADVERTISING PROFITABLE TO BANKS.

VIEWS OF REPRESENTATIVE BANKERS.

At the last annual convention of the Wisconsin Bankers' Association, held at Milwaukee, the "Milwaukee Sentinel" interviewed a number of bankers on the subject of bank advertising, with the following result:

"Soliciting business through the medium of newspaper and other advertising is coming to be a matter of course in every well-regulated banking institution.

That this is true there is no reason to doubt after hearing what representative men in attendance upon the State bankers' conventions have to say on the subject.

Fifteen of them were asked for their opinions on the subject of advertising from the viewpoint of the banker of the present day and not one of the number had aught to say that would be discouraging to the financier who is reaching out through the medium of printers' ink for new business.

Advertising Banks Increase Their Business.

All agreed, in fact, that the banks that advertised got the business, and that no bank lost reputation for conservativeness by calling attention properly in the newspaper, financial journal, gazetteers, and other publications to its standing or to what it had to offer in the way of inducement to the depositor.

Charles LeRoy Farrell, Vice-President of the Fort Dearborn National Bank, Chicago, formerly of the Capital National, of Indianapolis, is a most enthusiastic believer in advertising. He is now a member of the executive council of the American Bankers' Association, a position that brings him in close touch with the business of banking in all its phases.

'In 1890,' he said, 'the Capital National had a deposit account of $1,250,000, when we began a campaign of advertising in banking journals, the newspapers, directories and through personal acquaintances at the conventions of financiers. In about three years the figure rose to $5,000,000, and most of this we attributed to the fact that we brought ourselves before the people.

There is no denying it, for it is the truth, the bank most heard of or talked about, if a good one, gets the business. The results of advertising to a banker do not come with a jump; they are cumulative. My experience has been that properly handled, bank advertising cannot help but win. The people will never know that you have something to sell unless you tell them of it, and I am certainly an advocate of advertising the advantages offered by my bank, and am advertising them.

The best example of advertising in the banking business that has come under my observation is the Hanover National, of New York. It has pegged away for a number of years, steadily using advertising space in the newspapers, financial journals and other legitimate mediums, until it has placed itself independent of great railroad or other backing, upon a high plane. It is doing a wonderful business and it is doing it because it advertised.'

No Question About Result.

Mr. Farrell is pursuing the same policy with the Fort Dearborn National that he adopted with the Indiana bank and his friends at the convention say there is no question about the result—he is bound to succeed—he is succeeding.

Ernest C. Brown, Assistant Cashier of the First National Bank, of Minneapolis, said that his bank believed in going after business wherever it could be found and considered newspaper advertising was one of the best ways of reaching a certain class of it. His bank uses the local papers, paying for writeups, and patronizes the financial journals for display advertisments. However, he says he believes in being modest, and as an example produced from his pocket a simple card, 6x3¼ inches, which was issued after the bank had increased its capital $1,000,000, as follows:

'With a capital of $2,000,000 and surplus of $1,250,000, the First National Bank, of Minneapolis, Minn., feels itself to be in a position to take care of any business intrusted to it. Correspondence solicited.'

'We don't believe in big talk or boasting,' said Mr. Brown, 'but have considerable faith in a plain statement of fact contained in our card, which is the only announcement we make.'

G. B. Smith, Assistant Cashier of the Commercial National Bank, of Chicago, said that his institution used the newspapers, magazines and bankers' directories judiciously, soliciting commercial business exclusively. He is a believer in bank advertising and says it pays the Commercial National.

Rollin P. Grant, Cashier of the New York National Exchange Bank, said that he was a believer in bank advertising, and that his bank used the financial papers with great success.

F. E. Williams, Cashier of the Citizens' Bank, of Delavan, Wis., said he believed in bank advertising. 'The business of banking,' he said, 'has undergone a remarkable change in the last few years. Big banks are constantly looking for the business of the small banks. Letters are written on the slightest provocation, and efforts made all the time to get in touch with us. Apparently new business is appreciated more nowadays than it used to be, for the big banks are certainly going after it in earnest. I don't believe that a bank should advertise as if it were selling shoestrings; there is a certain dignity in the business that must be maintained to retain respect and confidence. There is a right way and a wrong way to advertise, whether in using the newspaper or in sending out circulars.'

A. J. Frame and William H. Sleep, both Waukesha bankers, are advocates of the use of printer's ink to secure business for banks, and they practice what they preach. 'We use the local newspapers,' said Mr. Sleep, 'and take space in the directories. We also send out circulars, and in this way keep our bank before the people. I am a firm believer in advertising for a bank.'

Mr. Frame was firmly of the belief that 'a bank not in touch with the people would not succeed,' and it was his opinion that the proper way to keep the relationship pleasant and profitable between the bank and customer or prospective customer was to advertise.

Another Chicago man who has had considerable experience in advertising a bank is Albert S. Boos, Assistant Cashier of the Colonial Trust and Savings Bank. 'We do a lot of advertising,' he said, 'and get good returns, consequently you are talking to an enthusiast. We regard it as one of the absolute necessities of successful banking, and do not know of any kind of advertising that we have tried that does not pay, from the classified to our cards in the elevated trains.

We use the newspaper display columns, classified, and the elevated trains to solicit savings and commercial deposits and to dispose of mortgages and catch the eye of the borrower. We also use circulars. Some bankers would be surprised to know the large sum we spend in a year in advertising, but it pays, and we are satisfied.'

OUT-OF-TOWN COLLECTIONS.

Editor Bankers' Magazine:

SIR: There is probably more friction between the business men and the bank officials of Manhattan over the collection of so-called out-of-town items than over all other matters put together. The trouble begins with the errand boy and the receiving teller over the chargé of ten cents on an insignificant check, and extends through bookkeepers and collection clerks up to the heads of firms and bank Presidents. A merchant cannot understand why, with an average balance in the bank of say $10,000, he should be charged ten cents for the collection of a check on Yonkers, or why it should take two weeks to hear from a draft on Buffalo when a letter reaches there in a few hours.

If a merchant goes to his banker and complains of the charge for collection or the length of time it takes to hear from collection items, he gets no satisfaction and submits as gracefully as possible to the inevitable—or sends his checks, notes and drafts out of town for collection. Critics of the bank say the charge for collection, ostensibly to reimburse banks for the clerical work and for interest lost while the checks are in process of collection, is really made by the managers of the clearing-house, in order to force country banks to open accounts in New York and furnish exchange to their customers, and also to induce large jobbing houses and manufacturers in non-discretionary cities to open accounts in the Manhattan banks. It is claimed that so-called country bank accounts and the accounts of large out-of-town firms will offset many times over the checks, notes and drafts which are sent out of the city to save exchange or collection charges.

Bank officials, on the other hand, say that it takes from one to two weeks to realize the cash on out-of-town checks, and that in many cases the country banks charge the one-tenth or one quarter of one per cent. which the city bank charges its customers. Furthermore, where interest is paid on daily balances, the interest on out-of-town checks more than offsets the charge, and with small accounts the out-of-town checks are often drawn against long before the cash is realized on them.

The facts are, New York financially is very much like Hicks, the famous pirate, who said his hand was against every man and every man's hand was against him. Under the present system the banks of New York are figuratively turning heaven and earth to get the reserve moneys of the country, while the country banks are equally anxious to hold up remittances to New York as long as possible and save every cent in interest from the New York banks. It is a game of chess between the city bank and its country correspondents, while the New York merchant or his out-of-town customer pays for the beer. There is money in this sort of financial dickering for the banks and possibly for the correspondents, otherwise the antiquated stage-coach system which now prevails would be abolished.

A system of direct collection or clearance such as has been in successful operation in Boston for several years could be established in New York at any time, and cash or its equivalent could be realized on all out-of-town checks drawn on banks within, say, 1,000 miles of the city, within seventy-two hours, without material expense for collection or loss of interest. Banks should notify their customers that out-of town checks should not be treated as cash until a reasonable time for their collection has elapsed and abolish all charges for collection.

A uniform system and a uniform charge for the collection of notes and drafts should be established, and a schedule of the time which should be taken for the collection, protest or return of such notes or drafts should be prepared and lived up to.

It is ridiculous for a firm rated say AAA1, having an average balance of $50,000 in bank, to send their out-of-town checks to some country bank, and their notes and drafts either to local banks, express companies or collection agencies for collection. The big New York banks can do this work quicker and cheaper than anyone else, and the sooner they do it the better for all concerned. J. H. G.

NEW YORK, Sept. 29.

THE CITIZENS' BANK, OF NORFOLK, VA.

As the center of the Tidewater Region of Virginia, a territory rich in productive resources, Norfolk has become an important commercial and manufacturing city, and its banks have been quick to provide the facilities necessary to aid the development that has been steadily going forward for a long time and with an added impetus in the last few years. The commerce and industry of Norfolk have grown to their present large proportions chiefly of course because of favoring circumstances in point of location, but the energy and foresight of the managers of the city's banking and other business establishments have transformed these potential advantages into actualities.

THE CITIZENS' BANK OF NORFOLK, VA.

The Citizens' Bank, of Norfolk, whose history extends over a period of thirty-six years, has borne an important part in the upbuilding of the city and the tributary country, and is to-day larger and stronger than ever before.

The Citizens' Bank was organized in May, 1867, with Richard Taylor as President and W. W. Chamberlaine as Cashier, and the following directors, viz.: R. H. Chamberlaine, W. W. Sharp, C. W. Grandy, D. D. Simmons, Wm. H. Peters, G. W. Rowland, G. K. Goodridge, R. C. Taylor, Richard Walke, Jr., and Richard Taylor.

The bank started with a paid-up capital of $50,000, and, having the confidence of the community, at once commanded a full share of public patronage.

In 1872 President Taylor resigned to become President of another bank, and was succeeded by Richard H. Chamberlaine, who died in office, in July, 1879. William H. Peters succeeded Mr. Chamberlaine, and continued as President until July, 1900.

In January, 1877, Walter H. Doyle was elected Assistant Cashier, and in 1879 he was made Cashier, W. W. Chamberlaine having resigned to become treasurer of the Seaboard and Roanoke Railroad. Mr. Doyle was elected to succeed Mr. Peters as President in July, 1900, and Tench F. Tilghman was elected to succeed him as Cashier.

In July, 1885, the capital was increased to $100,000, $40,000 of which was capitalized from the surplus fund, and the remaining $10,000 was paid in by the stockholders.

In July, 1889, the capital was further increased to $200,000, $50,000 coming out of the surplus fund, and $50,000 allotted to desirable depositors who were not stockholders.

In October, 1891, the capital of the bank was again increased to its present amount—$300,000. The increase was allotted to and taken by the stockholders.

The dividends declared since the organization of the bank, in May, 1867, aggregate $489,185.50, being 467 per cent. The surplus fund and undivided profits have steadily accumulated, and aggregate to-day, $200,000, notwithstanding the liberal dividends declared.

Those who are now, or have heretofore been, associated with the Citizens' Bank, may take pride in the position it has uniformly maintained, and can justly claim that it has, at all times, discharged its duty to the public and its stockholders.

The present officers of the Citizens' Bank are: President, Walter H. Doyle; Vice-President, J. W. Perry; Cashier, Tench F. Tilghman. Directors: J. W. Perry, Geo. C. Reid, G. M. Serpell, John Twohy, Robert B. Cooke, Kensey Johns, Jr., Tench F. Tilghman, McD. L. Wrenn, John N. Williams, Geo. A. Schmelz and Walter H. Doyle.

NOTICES OF NEW BOOKS.

"LE MARCHE FINANCIER, 1902-1903." By ARTHUR RAFFALOVICH. Paris: Guillaumin et Cie.

The annual volume of M. Raffalovich grows in size and interest each year. It has become an almost invaluable compendium of the financial events of the year in all the leading markets of Europe as well as the United States. The volume for 1903 fills more than a thousand pages, of which the last seventy pages are devoted to a review of the precious metals and monetary questions during the year. The record of the year in the financial world covers a period of stress and depression in Germany, England and Russia, but fortunately indicates signs of improvement in all these countries. M. Raffalovich always speaks with authority regarding Russia, because he is the financial agent of the Russian Government at Paris, and is well informed regarding the inner motives as well as the public acts of the masterly minds which have directed Russian finance during the last dozen years. Apropos of the centennial of the foundation of the Ministry of Finance and the tenth anniversary of the ministry of M. de Witte, M. Raffalovich reviews in an interesting manner the economic policy of that minister and its influence upon the political future of Russia. It will be interesting to see next year what he has to say of the change in the Ministry of Finance and the succession of M. de Pleske.

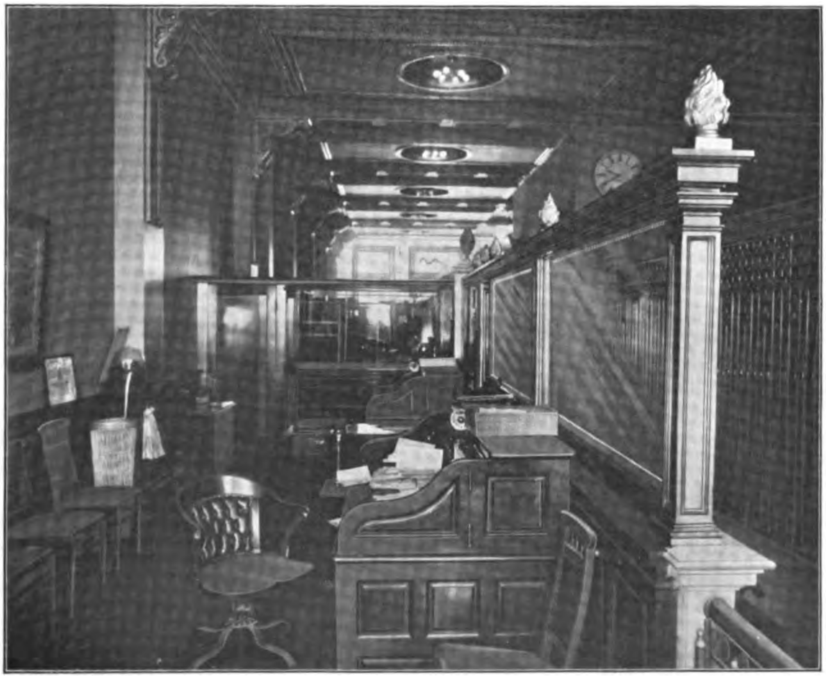
The chapter on the United States is contributed this year by Mr. Alexander D. Noyes, of whom M. Raffalovich justly says that his authority and competence are keenly appreciated.

The portion of the volume devoted to precious metals and monetary questions naturally gives much space to the movement of the past year to place the silver-using countries on the gold standard. The forms of the book were closed too early to permit a final review of the work of the American and Mexican Commissions on International Exchange, but M. Raffalovich evidently regards their work as of importance in the economic development of the Orient. Writing when the recent rise in silver had only begun, he says:

> "This new fall of silver, in spite of a slight check at the beginning of 1903, has intensified the difficulties suffered by the countries which are still under the regime of the silver standard in their commercial relations with the gold standard countries. The fluctuations, persistent and irregular, in exchange, have effected all commercial operations with an element of chance which renders actually dangerous commercial relations with these countries. Moreover, the continued fall for a quarter of a century in the value of the monetary unit compared to gold and the prospect of a continuance of this fall restricts the importation of capital into these countries and thus fetters their economic development. We have seen recently a certain number of countries which, desirous of escaping these inconveniences, have resolutely abandoned the silver standard for gold, and to assure the success of this measure have established an effective domestic circulation of the yellow metal. This radical solution of the problem is not within the reach of every country. It is necessary for them to seek to content themselves with an approximate solution of the question which will promote the stability of exchange without introducing profound modifications into their monetary systems."

MODERN BANK AND OFFICE FITTINGS AND FURNITURE.

The standard of banking-room appointments has advanced until now a progressive bank manager is satisfied with nothing less than the best obtainable. Not only must the furniture and fixtures be thoroughly substantial, but they must be perfect in design and finish. Elegant furniture is recognized as being one of the profitable forms of bank advertising, for the public appreciation of a proper degree of ornament in a bank's counting-rooms is indisputable. There is, of course, no reason why the solid and serviceable should not be united with the beautiful, and a bank that does not recognize the profit to be derived from making its rooms as attractive as pos-ible, is behind the times.



VIEW OF GENERAL OFFICES LINCOLN TRUST CO., NEW YORK.

Every detail of the interior fittings must be made to harmonize in order to produce a satisfactory effect. The interior woodwork, the furniture, and even the rugs or carpets and other decorations should be installed under the direction of a skilled specialist. These specialists—who might properly be called office architects—are a development of the growing demand for fine offices and artistic furniture. The Derby Desk Company has as its New York manager Mr. Frank E. Smith, one of the best of these specialists in the planning and fitting up of bank and office interiors.

Mr. Smith was one of the first men to realize that a profitable and interesting profession could be created as an adjunct to the manufacture of fine desks and furniture. His personal hobby was the designing of furniture and fittings for offices, and he soon noticed that merchants and educated people generally appreciated rooms in which a single definite scheme of decoration for both furniture and fittings had been carried out. To be thoroughly prepared for his work, Mr. Smith made an exhaustive study of the decorative arts, as well as sanitation and ventilation, and being a skilled woodworker, he thus acquired a complete knowledge of all the details of office equipment. His skill and taste have been amply exhibited in the fitting up of many of the finest offices in New York and other cities. The Derby Desk Company has acquired the reputation for producing the best possible results in the interior fitting and decoration of offices and banks.

Desks constitute an important element in the furnishings of a bank, and by devoting proper care to their selection the attractiveness of the bank may be greatly enhanced. It is essential that the desks shall be tasteful in form and construction, and that they shall be as convenient and durable as modern skill can produce.

The desks manufactured by the Derby Desk Company, it is believed, answer the most exacting demands in all these respects. Having ample capital, long experience and a large force of skilled mechanics in its employ, the company is constantly turning out the very best desk that can be made. All materials used are carefully selected from the most desirable woods, which are thoroughly seasoned, and the methods of construction insure the highest degree of durability attainable. In making the drawers, all fronts, backs and sides are of extra thick hardwood stock, dovetailed front and back. Drawer bottoms are panelled in, giving dust-proof construction.

For a third of a century the Derby Desk Company has been manufacturing commercial furniture, and while proud of its past record and the large number of its well-pleased patrons, it is the aim of the company to make every improvement possible to keep its products up to the highest standard that human skill can reach.

In addition to the varied styles of Derby desks, which are adapted to the requirements of both large and small banks, the company also manufactures a full line of directors' tables and office chairs, and undertakes all work connected with the interior fittings of banks and offices.

We show in connection herewith a view of the general offices of the Lincoln Trust Company, of New York, which were furnished complete by the Derby Desk Company. These offices are regarded by many as one of the best examples of modern bank equipment to be found in the city.

The offices and warerooms of the company are at 91 and 93 Franklin street, Boston, Mass., and 145 Fulton street, New York.

CONDITION OF THE NATIONAL BANKS.

Abstract of reports of condition of National banks in the United States on April 9, June 9 and September 9, 1903. Total number of banks: April 9, 1903, 4,845; June 9, 1903, 4,939; September 9, 1903, 5,042.

RESOURCES.	*April 9, 1903.*	*June 9, 1903.*	*Sept. 9, 1903.*
Loans and discounts	$3,403,217,618	$3,415,045,751	$3,481,446,772
Overdrafts	29,920,759	27,258,743	27,191,997
U. S. bonds to secure circulation	343,119,320	368,941,370	381,568,980
U. S. bonds to secure U. S. deposits	134,984,170	152,588,925	136,940,020
Other bonds to secure U. S. deposits	17,365,252	....	22,000,134
U. S. bonds on hand	10,044,275	8,076,020	4,237,060
Premiums on U. S. bonds	14,779,570	14,238,173	14,704,044
Bonds, securities, etc	517,410,083	521,928,417	518,746,233
Banking house, furniture and fixtures	101,578,097	102,244,612	106,948,864
Other real estate owned	21,370,412	21,845,669	21,587,610
Due from National banks	263,835,801	711,844,329	260,187,597
Due from State banks and bankers	94,052,977	90,068,935	105,045,992
Due from approved reserve agents	454,802,717	22,189,625	454,907,648
Internal-revenue stamps	97,013	....	41,752
Checks and other cash items	22 327,859	....	23,436,482
Exchanges for clearing-house	201,934,216	227,580,488	147,695,772
Bills of other National banks	24,619,614	27,625,685	26,497,330
Fractional currency, nickels and cents	1,579,272	1,611,235	1,596,934
Specie	389,081,521	388,616,377	397,556,167
Legal-tender notes	147,133,313	163,592,829	156,749,859
Five per cent. redemption fund	16,580,783	17,803,748	18,605,093
Due from U. S. Treasurer	2,957,839	3,834,163	2,737,039
Total	$6,212,792,489	$6,286,935,106	$6,310,429,966
LIABILITIES.			
Capital stock paid in	$734,903,303	$743,506,048	$753,722,658
Surplus fund	354,033,637	359,053,429	370,390,684
Undivided profits, less expenses and taxes	177,089,346	183,130,107	185,980,765
National bank notes outstanding	335,093,791	359,261,109	375,037,815
State bank notes outstanding	42,781	42,781	42,780
Due to other National banks	640,761,449	660,959,960	622,838,024
Due to State banks and bankers	295,049,952	551,286,533	307,425,777
Due to trust companies and Savings banks	253,622,374	....	266,966,911
Due to approved reserve agents	28,489,879	....	29,252,032
Dividends unpaid	1,234,119	1,541,898	994,564
Individual deposits	3,168,275,260	3,200,993,509	3,156,333,499
U. S. deposits	140,677,485	179,693,054	140,411,999
Deposits of U. S. disbursing officers	7,350,577	7,717,111	9,203,001
Bonds borrowed	43,029,101	....	39,661,003
Notes and bills rediscounted	6,477,639	8,263,989	15,316,951
Bills payable	18,524,595	20,495,253	31,749,420
Liabilities other than those above	8,137,194	10,990,320	5,102,076
Total	$6,212,792,489	$6,286,935,106	$6,310,429,966

Changes in the principal items of resources and liabilities of National banks as shown by the returns on Sept. 9, 1903, as compared with the returns on June 9, 1903, and Sept. 15, 1902:

ITEMS.	SINCE JUNE 9, 1903.		SINCE SEPT, 15, 1902.	
	Increase.	*Decrease.*	*Increase.*	*Decrease.*
Loans and discounts	$88,401,021	....	$201,319,291	....
U. S. bonds	9,883,400	....	65,799,650	....
Due from National banks, State banks and bankers and reserve agents	18,227,972	....	....	$109,053
Specie	8,939,790	....	31,320,047	....
Legal tenders	....	$6,842,970	14,992,241	....
Capital stock	10,216,610	....	48,187,241	....
Surplus and other profits	14,187,912	....	60,760,984	....
Circulation	15,776,706	....	57,046,006	....
Due to National and State banks and bankers	14,236,253	....	26,141,513	....
Individual deposits	....	44,660,010	....	52,940,394
United States Government deposits	2,512,517	....	25,671,197	....
Bills payable and rediscounts	18,307,129	....	13,165,483	....
Total resources	23,494,860	....	196,501,053	....

AMERICAN NATIONAL BANK, RICHMOND, VA.

Two recent events in the history of this bank call for special mention—the increase in the capital stock from $300,000 to $400,000 (the new shares being sold at $125), and the beginning of the erection of a new building for the bank. The structure will stand at the southeast corner of Main and Tenth streets and will have a front elevation of eight stories and nine stories in the rear. The materials used in the construction of the exterior walls will be brick and limestone, a light buff color predominating.

AMERICAN NATIONAL BANK BUILDING.

The interior of the bank is arranged on simple, but rather unique lines, the offices for President, Cashier, bureau of information, savings department, tellers, and lady customers' room, being grouped around a central lobby, and being the only rooms that can be approached from the public space, the working space for the clerks being placed behind the vault, and out of view of the public, communication with the working force being through the bureau of information.

To the rear of the bank, and in the mezzanine story, is the directors' room, approached from the bank by an ornamental metal staircase.

In the basement of the building is the safe-deposit department, which corresponds in position with the banking room of the floor above, and which will be conveniently arranged for the business to be carried on.

The seven upper floors are devoted to office purposes. On each floor there will be twelve offices, the smaller being ten by seventeen feet and the larger fifteen by eighteen feet, and so arranged that they may be used singly or in suites. Steel skeleton construction is to be employed and the building will be thoroughly fireproof. The general finish of the building is to be of a high class throughout, the entrance vestibule being lined with Italian marble with marble floors ; the corridors to have mosaic floors, the staircases and elevator screen being entirely of marble and iron.

All the woodwork will be of hardwood, attractively finished. The banking room will be about twenty-three by ninety feet in size, and will be furnished and equipped in the most modern style.

In fact, the entire building has been arranged with great care, both for the use of the bank and the convenience of tenants and customers of the bank and safe-deposit department, and will be, in its design, construction and finish, a notable addition to Richmond buildings, and will give the city its first modern office building.

Although a comparatively young bank, having been organized November 1, 1899, the American National Bank, of Richmond, has already signalized its existence by a second increase in its capital (having started with $200,000) and by beginning the erection of one of the largest and finest bank and office buildings in that city. These two occurrences show that the bank is progressively managed and indicate that this is to be one of the South's important banks. When the increase in capital was decided on the new issue of stock was immediately subscribed by present stockholders at $125 per share, thus showing the confidence the shareholders have in the management of their institution. This confidence is fully justified by the character and ability of the men in charge of the bank. Oliver J. Sands, the President, was formerly a National bank examiner. He comes of a family of bankers whose ability and reputation are well known throughout the South and elsewhere. The other officers are: Vice-President, Chas. E. Wingo; Cashier, O. Baylor Hill; Assistant Cashier, Waller Holladay. They are all men of thorough banking experience, alive to the interests of their institution. Directors of the bank are: Wm. C. Camp, manager savings department; W. R. McComb, president Union Stock Yards; Wm. J. Payne, president Newport News and Old Point Railway and Electric Co.; Oliver J. Sands, late National bank examiner; Emmett Seaton, attorney-at-law; Chas. E. Wingo, wholesale shoes; Henry W. Rountree, Rountree Trunk and Bag Co.; James R. Gordon, president Cardwell Machine Co.; Edgar G. Gunn, wholesale lumber; Philip Whitlock, American Tobacco Co.; R. H. Harwood, Harwood Bros., oils; Jackson Guy, attorney-at-law.

These gentlemen are all successful business men, and their connections assure a large share of public confidence and patronage.

As a further illustration of the growth of the bank, the following comparative statement of deposits from the time of organization will be found interesting:

December 2, 1899	$124,077.09	February 25, 1902	$1.254,114.27
April 26, 1900	576,202.09	November 25, 1902	1,781,802.84
February 19, 1901	862,419.46	June 9, 1903	1,986,046.41

The results which these figures indicate have been gained by diligent and persistent effort on the part of the officers and employees of the American National Bank to render courteous and efficient service to all patrons of the bank, and by the thorough provision made by the management to meet all the requirements of a completely-equipped modern bank.

CALIFORNIA BANKS FLOURISHING.—The reports received by the Bank Commission, showing the financial condition of all the county commercial banks, numbering 185, at the close of business on September 8, give a total of resources amounting to $95,929,920. A tabulated statement of the financial condition of all the banks in California, exclusive of National banks, shows resources totaling $446,918,863. The board, in its report, says that every bank in the State is enjoying unprecedented prosperity. The aggregate gains in deposits and resources during the last four months amount to nearly $4,000,000. The amount due depositors is $345,592,302.—*San Francisco News Letter.*

KNICKERBOCKER TRUST COMPANY, NEW YORK CITY.

We present herewith an illustration of the beautiful new building recently erected by the Knickerbocker Trust Company, of this city. The building stands on the site of the old Stewart Mansion, at the northwest corner of Fifth avenue

and Thirty-fourth street. The new structure, which was designed by Messrs. McKim, Mead & White, is an example of Grecian architecture, with Corinthian columns, Vermont marble body and bronze finishings. There are four Cippolino marble columns, monoliths weighing seventeen tons each.

The safety deposit vault contains 2,000 boxes. The outer vault door weighs nine tons, and the hinges alone 3,700 pounds. There is a dining-hall, 40 feet by 20, for the exclusive use of the employees of the Knickerbocker Trust Company. Attached is a kitchen, wherein are cooked all the lunches served in the dining-room.

The floor space of the trust company offices will cover 5,000 square feet. The woodwork finishings and desks are the work of Davenport, of Boston, the well-known designer of bank interiors. The white marble of the interior was brought from Norway and from selected quarries. Eight rooms are devoted to the coupon department, and the other departments are equally favored as to space.

An entrance to the building on Thirty-fourth street leads to the second, third and fourth floors, on each of which are four offices, with a total of 5,000 square feet of space on each floor.

The company moved into its new building November 2.

The Knickerbocker Trust Company was established in 1884, and has made very gratifying progress, its deposits on June 30 last amounting to $39,680,608. Its capital is $1,000,000 and the undivided profits $2,289,021.

In addition to allowing interest on time deposits, the company receives deposits subject to demand checks, which pass through the clearing-house, as do checks on city banks. The company also transacts the business usually done by trust companies, acting as executor, administrator, guardian, receiver, registrar, transfer and financial agent for States, cities, towns, railroads and other corporations, and accepts other trusts in conformity with law.

City branches of the company are in operation at 66 Broadway, 125th street and Lenox avenue, and 148th street and Third avenue.

The officers are: President, Charles T. Barney; First Vice-President, Fred'k L. Eldridge; Second Vice-President, Joseph T. Brown; Third Vice-President, Julian M. Gerard; Fourth Vice-President, Benj. L. Allen; Secretary and Treasurer, Fred'k Gore King; Assistant Secretary, J. McLean Walton; Assistant Treasurer, Harris A. Dunn.

NOTE ISSUES OF THE BANK OF ENGLAND.—Discussing "The Bank Reserve and the Rate of Discount" in its October issue, the London "Bankers' Magazine" points out that there is a tendency on the part of the note issues of the Bank of England to rest more largely on securities than on coin and bullion. Comparing the statements of the issue department of the bank on July 2, 1879, and August 26, 1903, the following facts are shown:

	July 2, 1879.	*Aug. 26, 1903.*
Notes issued	£49,022,675	£52,406,120
Securities:		
Government debt	11,015,100	11,015,100
Other securities	3,984,900	7,434,900
Gold coin and bullion	34,022,675	33,956,120

It will be seen that the notes issued on August 26, 1903, were £3,383,445 in excess of the amount reported on July 2, 1879, while the securities were £3,450,000 more in 1903; but the gold held was actually £66,555 less than in 1879. Bringing the comparison down to September 2, 1903, it is shown that the gold held in the issue department was $640,840 less than in 1879.

As will be seen by the table above the total note issues of the Bank of England on August 26 last were £52,406,120, of which £18,450,000 was based on the Government debt and "other securities," while the remainder, £33,956,120, was based on gold coin and bullion.

It will be seen that the notion that Bank of England notes are practically gold certificates is not quite correct.

AMERICAN BANKERS' ASSOCIATION.

TWENTY-NINTH ANNUAL CONVENTION, HELD AT THE CALIFORNIA THEATRE, SAN FRANCISCO, CAL., OCTOBER 21, 22, 23, 1903.

The convention met at ten o'clock A. M., Wednesday, October 21, being called to order by the president, Caldwell Hardy, President of the Norfolk National Bank, Norfolk, Virginia.

Prayer was offered by the Right Rev. William Ford Nichols, Bishop of the Episcopal Diocese of California.

THE PRESIDENT: We will now listen to an address of welcome to the city of San Francisco by Hon. E. E. Schmitz, mayor of the city.

ADDRESS OF WELCOME BY MAYOR SCHMITZ.

As the chief executive officer of this city, and on behalf of all her people, I extend you a hearty welcome.

You who have come from the distant centers of our national life have done us signal honor by selecting this far western outpost of our American development as the meeting place of your important convention, and it is the desire of our citizens that your welcome shall be not only to our city, but also to the hearts and homes of our people. For whatever be the fact in other lands, we recognize that in the life of the American banker there is always room for the play of the impulses of the heart and of the influences of the home.

We welcome you, not alone for the advantages which may in the future accrue through your visit to the city of which we are so proud, but also for the achievements which have already been made possible for San Francisco, and indeed for all California, through the conservative yet abundant confidence of the men who control the financial arteries of the nation—the bankers of the United States.

Our State and our city have great natural advantages; we glory in our sunshine, our fruit and our flowers; we exult in our great mineral and other material resources, but we know that without the aid of capital, co-operating amicably with the hands of labor, all this natural wealth, unproductive, would be dead and would contribute nothing to the prosperity or advancement of our people. Inert wealth is barren of advantage.

The future holds for San Francisco great possibilities from the internal resources of our State, from the establishment of local industries and enterprises, as well as from the commercial development which will arise from our new policy of national expansion, from the annexation of the Hawaiian Islands, from the acquisition of the Philippines, from the opening doors of Oriental empires, from the Isthmian canal—yet we all know that without the generous, yet conservative, regulating hand of capital at the throttle, the engine of commercial prosperity may explode its boilers, or run off its track, leaving ruin instead of advancement, wreck or stagnation instead of affluence and progress. You have great power. We realise that in your commanding hands, through which daily ebbs and flows the tide of the nation's wealth, you hold in a large measure the commercial and industrial destiny, not only of the city of San Francisco, not alone of the State of California, but, indeed, of our entire country, and of all your fellow citizens.

The people look upon you largely as the middlemen of commerce and industry, the balance-wheel between those who pay and those who receive. They know that through your advice and judgment the scales may hang even or uneven between capital and capital, as well as between capital and labor, and they live in the confident hope that your judgment and your advice will always be such that conditions of peace may ever prevail, both in those commercial competitions in which capital vies with capital, and in the industrial competitions in which capital meets

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Our State and our city have great natural advantages; we glory in our sunshine, our fruit and our flowers; we exult in our great mineral and other material resources, but we know that without the aid of capital, co-operating amicably with the hands of labor, all this natural wealth, unproductive, would be dead and would contribute nothing to the prosperity or advancement of our people. Inert wealth is barren of advantage.

The future holds for San Francisco great possibilities from the internal resources of our State, from the establishment of local industries and enterprises, as well as from the commercial development which will arise from our new policy of national expansion, from the annexation of the Hawaiian Islands, from the acquisition of the Philippines, from the opening doors of Oriental empires, from the Isthmian canal—yet we all know that without the generous, yet conservative, regulating hand of capital at the throttle, the engine of commercial prosperity may explode its boilers, or run off its track, leaving ruin instead of advancement, wreck or stagnation instead of affluence and progress. You have great power. We realize that in your commanding hands, through which daily ebbs and flows the tide of the nation's wealth, you hold in a large measure the commercial and industrial destiny, not only of the city of San Francisco, not alone of the State of California, but, indeed, of our entire country, and of all your fellow citizens.

The people look upon you largely as the middlemen of commerce and industry, the balance-wheel between those who pay and those who receive. They know that through your advice and judgment the scales may hang even or uneven between capital and capital, as well as between capital and labor, and they live in the confident hope that your judgment and your advice will always be such that conditions of peace may ever prevail, both in those commercial competitions in which capital vies with capital, and in the industrial competitions in which capital meets

F. G. BIGELOW

President American Bankers' Association.

with labor, ever bearing in mind that these factors of our national progress are and ever should be co-ordinately and reciprocally interested for their own benefit and protection in creating and maintaining such conditions that capital may always have safe and constant investment in order that labor may have steady and remunerative employment.

These problems and many others being largely in your hands, our community recognizes the importance of your gathering and the seriousness of your deliberations and is greatly interested in them.

You are the financial engineers of our country, you determine the lines of our commercial and industrial action.

It is for you to solve the great problems arising from the demand and supply of our medium of exchange in the various sections of our country. It is for you, like financial physicians, to hold your hands on the nation's financial pulse and to determine the ailments, if any, which exist, and the remedies to apply.

You all realize and know that the prosperity and well-being of the nation are not measured merely by the amount of money stored in the banks and safe-deposit vaults, but largely also by the advancement and progress of the masses of the people, and by the peace and contentment which may prevail among her citizens.

In the consideration of the questions which may come before you, this element will, I am sure, be accorded such attention as will assist in the development of our national prosperity and pride and will redound to the benefit and advantage of every element of our population, irrespective of class, condition, financial or social station.

To the great credit of you who control the finances of our country, let it be said that in almost every evemgency you have been ready and prompt to act for the community's common good.

It may be especially appropriate in this presence also to say that the banking element of San Francisco has ever been especially ready to co-operate with the rest of our citizenship in everything which tended to the upbuilding and uplifting of our city, its business and its enterprises, or which conduced to its material advancement and progress, and that our bankers have for that reason always enjoyed the good-will of the great majority of our people.

Gentlemen of the convention, once again I welcome you.

ADDRESS OF WELCOME TO THE STATE OF CALIFORNIA BY HON. GEORGE C. PARDEE, GOVERNOR.

Gentlemen of the Bankers' Convention—It is not often that the Governor of California has such an opportunity as this. Whenever the Governor has faced even a single banker the latter has listened only as long as he pleased. To-day, however, the tables are turned. The Governor must, out of sheer politeness, if for no other reason, be listened to as long as he wants to talk. And to think that he has, not one, but such a multitude of bankers, even the assembled representatives of the whole American banking world, completely at his mercy, fills the Governor's soul with a great and consuming joy.

My "paper" to-day, for once, must be "accepted" without "protest"; the "drawer" has the "drawee" at a great disadvantage; no "discount" will be allowed; it is a "sight draft" without "grace," "second and third" not only "unpaid," but even unissued. Gentlemen, there is but one thing for you to do, and that is to shelter yourselves behind the customary "no recourse," for you had but one, and that I have removed by seeing to it that yonder doors are locked and carefully guarded.

I suppose I ought to have begun this address of welcome by asking you the question with which, it is said, every Californian greets those whom he meets for the first time, viz.: "How do you like California?" What we really mean by that question is, not "How do you like California," but "How much do you like California?" For we know that everybody likes the Golden State, and we always judge of the intelligence and intellectuality of the stranger within our gates by the degree of love he expresses for California. So, as I look out over your faces to-day I am sure that you like California better, almost, than any other place on earth.

But you are not strangers within our gates. You are our welcome guests. Welcome to the land where there are no lightning rods nor cyclone cellars; where no one dies from heat, or perishes with cold; where roses bloom the year around, and Nature always turns her smiling face toward him who trusts her for his sustenance. Welcome to the western boundary of the United States, where the great Pacific sends his surges thundering to our very doors—the great Pacific that soon will bear upon his calm, untroubled bosom such argosies as trade and commerce have not seen before.

Welcome to the Golden State, which opens on to far Cathay, and through which, ere long, will flow the "wealth of Ormus and of Ind." Welcome to our mines, our forests, our mountains, our valleys, soon to teem with millions, where but scattering tens of thousands now reside. Welcome to the dizzy depths and towering heights of the Yosemite. Welcome to the green and gold of our orange and lemon groves. Welcome, in a word, to California. For you there is no latch-string and no key—our doors are all ajar.

THE PRESIDENT: We will now listen to an address by the Hon. James D. Phelan, representing the bankers of San Francisco.

ADDRESS OF WELCOME BY HON. JAMES D. PHELAN.

In providing three welcoming speeches, the committee, no doubt, desired to express, as by an object-lesson, that you are thrice welcome; and in welcoming the bankers' association to San Francisco we are not unmindful of the compliment of your coming. We thank you for having come.

In one sense our city is remote from the money centers of the country, and in another sense the money centers are remote from us. San Francisco is nearer the geographical center of the United States than the cities of the East. At one time we were the outpost, but now we have Alaska and our island possessions far to the westward, and we feel less the sense of isolation. We are on the road, instead of being at the end of the road. The convenience of travel and the rapidity of communication, and, more than all, your actual presence has convinced us, however, that you come not as strangers, but as neighbors, fellow citizens of our great Republic, bound together by hooks of steel, as Shakespeare has defined the ties of friendship; that our interests are one and that better acquaintance will result in common advantage.

You, gentlemen of the bankers' association, represent the great eastern money centers; we represent the financial center of an important subdivision of the country—as you have been told. But some one has said that you can't tell the truth about California without lying. Unparalleled natural resources, found in our mountains and valleys, lie behind us and a great waterway stretches before us.

San Francisco is the chief port of the United States on the greatest of the world's oceans—an ocean which in turn washes the shores of the most populous of the world's countries. So we have the prestige of position in the commerce of the Pacific.

The early history of our city, however, has been associated more intimately with the discovery of gold. The reason for our city existed before the discovery of gold, and it will stand until man's thirst for gold is satisfied. Ours, therefore, is an eternal city, sitting, like Rome, upon its seven hills.

Our claims as a financial center are undisputed. We speak in the capitals of the world for the wealth of California, and we have here the facilities for doing the necessary work. The precious metals are coined in the mint located in this city, and the sub-Treasury holds the large collection of customs and internal revenues made in this port, although the National banks do their best to keep it in circulation. We have seven National banks, twenty-five commercial bank and trust companies, organized under the laws of the State, and nine savings banks. In the State there are sixty-one National banks, 210 State commercial banks, sixty-eight Savings banks and nineteen private banks, with a total of $570,000,000 of assets.

In the past sixteen years there has been a net increase of twenty-two National banks, 122 Commercial banks and thirty-four Savings banks, which shows the rapidity of the growth of banking institutions. The total clearings of the San Francisco Clearing House for the year 1902 were $1,373,360,000, and "Bradstreet's" report of the clearings for the last week shows San Francisco seventh on the list of American cities, with $32,826,000, ranking every city west of Pittsburg, excepting Chicago and St. Louis.. Los Angeles is twenty-second, with $6,500,000, and Seattle twenty-seventh. with $4,800,000.

San Francisco is the New York of the Pacific slope, and the capital of what President Roosevelt called during his recent visit "the West of the West." Its financial stability seems to be insured by the diversity of its resources. In California a total failure of crops is unknown. Not only like the Middle West have we cereals and cattle, but all kinds of minerals, including mineral oil and all kinds of agricultural and horticultural products; and so the gold fields, golden grain and golden fruits are all tributary to the city by the Golden Gate, where mechanical skill also makes its home; where the Oregon, the pride of the Navy, and the Olympia, the flagship of Dewey, were built, and where the municipal arms bear the appropriate motto, worthily won, "Gold in peace and iron in war."

It is true that we have labored under the disadvantage in the past of having high-priced fuel, but now oil and the power generated in our mountain streams and transmitted to the cities make us independent of the world. Obliterate the Middle West, submerge the populous East and bury the country's metropolis deep in one of its yawning subways, California could still stand alone, a self-sufficient commonwealth.

But what has developed our State? The eastern immigration. And where do we market our products? In the Eastern States. Without you we would be a province; with you we are an empire. Our interests are interdependent. If any calamity befell you, to whose sympathetic ears would we recount our glories? Your tourists and your home-seekers freely come without the compulsion of calamity.

We have read of the great floods in Wall Street, which remind us of the freshets in western streams after a thaw, and, using a western term, they call the streets of Gotham canyons formed by the granite walls rising on either side. You have also your scenic wonders, and in the neighborhood of the Stock Exchange is what they call the "pit," which now seems bottomless—caused either by glacial action, or the erosion of water. Like the sunken road at Waterloo—suggestive description of the battle of giants now being waged—the Napoleons of finance will soon fill it up.

We have had our speculative experience, but not since the '70's, in the manipulating of Nevada mining shares, which demoralized business and impoverished the people. The pit was the threshold of the pitfall. Mining in California had no such effect, for it was conducted legitimately by the pioneer, and the mines to-day are nearly all privately owned, and you will find none of the stock in the market. They are too good even to give away to your friends. My friend, the statistician of the mint, gave me this figure yesterday, telling me: "There is something that will startle your bankers"—$1,380,000,000! And I reminded him that the clearings of San Francisco did not amount to that in a whole year, and that the capital of the Steel Trust exceeded it, and that it was much harder to dig money than to print it, and I thought that the figures, therefore, would not make much impression upon the bankers' convention. They are accustomed to such figures. But, large as they are, or, as you will, small as they are, they had a very important influence at the time, and have had since. They gave character to the State for all time and at a critical period strengthened the Union cause. Historians tell us that the yield of California gold was no insignificant element in the success of Union arms. California was a loyal State, and its gold production gave credit to the Federal Government at a time when it was most needed and which enabled it to carry on the war. We are told by a distinguished authority that to wage a successful war three things are necessary: "First, money; second, money; third, money;" and here is where the pen is mightier than the sword, and the banker more potent than the battery.

The men who are the custodians of the people's money should never be estranged from the people's cause, but should aid every legitimate enterprise, and, if needs be, finance every necessary war. The banker is an important integral part of any community, and must cast his fortunes with it. If San Francisco suffers, its bankers are the first to feel the pain, and that is true of all other bankers in every other land.

The banker is not a mere money-lender. He controls the motive power as well as the brake of industrial undertakings. His judgment, if wisely exercised, either prevents failure or speeds success. There are illustrious examples. After Isabella had pawned her jewels, Columbus was not half equipped for the voyage, but he was finally outfitted by his bankers, the Pinzons, who made possible the discovery of America, and if they did not receive their contingent 33 1-3 per cent., at any rate, like their client, they did not go to jail, which was something. I think they also got their boat back.

Robert Morris was the banker of the Revolution, and when he with others pledged to the cause "his fortune and his sacred honor," he banked on the success of Washington, just as Washington banked on the financial skill and patriotism of Morris.

Conservative and enlightened banking is a high and worthy pursuit—to keep safe the money of the people and advance the interests of city, State and nation. So, we welcome you for the power of your position and the worthiness of your work.

EFFECTS OF THE GOLD DISCOVERIES IN CALIFORNIA.

But to return. How did the discovery of gold give character to financial California? It logically put us on a sound money basis. During the period of rag money we adhered to our own monetary system. Any merchant who paid his debts in depreciated currency was discredited. The Legislature gave us a specific contract law, which stands to-day, and which has been upheld by the courts, enabling any citizen to contract for the payment of his bills in gold.

To meet these conditions, Congress, after it had created National banks, authorized National gold banks, and I believe the First National Bank of San-Francisco was the first gold bank established under that act. After the resumption of specie payments the reason ceased and the law was repealed.

Unlike the usage elsewhere, however, you will still find gold in common use among our people, and you will confess that there is some satisfaction in handling the basic metal itself in our daily exchanges. It is akin to dealing with the principal instead of with his representative. The five, the ten and the tewenty-dollar piece circulate freely, and in this wide world there is no coin more beautiful than the double eagle of Uncle Sam. Stamped in the precious metal itself, whose weight, fineness, color and form evidence its intrinsic virtues, solid yet brilliant, are imaged the lineaments of the bird of freedom and the goddess of liberty—the one to soar abroad, respected everywhere; the other to symbolize at home domestic industry. And if the coin is inscribed with the message "In God we trust," it asks nothing impossible of God.

Our people do not like paper money, nor paper capitalization. In common with your own purposes they look for security in real values. And so California is a safe field for banking as well as for bankers, and that is one of the reasons why you were bidden hither, and you, although not unaccustomed to saying "no," and to say it graciously, accepted our invitation. We thank you for it. We invite you now to share the love we bear our State, to which you have been introduced perhaps in extravagant phrase; but it can best and most truly speak for itself.

And now, on behalf of our bankers, I extend to you again a most hearty welcome.

Reply of President Hardy to the Addresses of Welcome.

To you, gentlemen, who have so warmly and eloquently welcomed us, let me express the hearty appreciation of the members of the American Bankers' Association.

The fame of your beautiful city and of the great Pacific Coast, with its glorious climate, its wealth of fruits and flowers, not forgetting your more material wealth, has become as world-wide as the great ocean, upon which many of us look out for the first time. The cordiality with which your hospitality is tendered us leaves the impress of its sincerity, and we come prepared to enjoy it to the full and take home with us any that may be left over.

One of my early recollections is of sitting in open-eyed wonder, listening to the marvelous tales of one of the old "forty-niners," an old friend of my childhood days. His tales of trial, privation and adventure, among those rugged pioneers who first wrested from mother earth her hidden treasures of yellow metal, have now grown familiar to all; but how little did even those brave spirits dream of the glorious civilization, wealth and culture whose foundation they were laying.

The wonderful creation of your energy and toil which you set before us marks an advancement which speaks more eloquently than words of your courage, wisdom and enterprise. Your achievements reflect a noble ambition. We rejoice with you in this opportunity of sharing their enjoyment and wish you Godspeed in the further development of the bright future before you. Your Golden State, through its Golden Gate, is "casting its bread upon the waters" of the great Pacific and from the Orient will, in time, receive a return equalled only by the great wealth developed within its own borders. It will take but a few years of this twentieth century for your commerce to show more development than has taken place in the 400 years since Balboa first gazed upon the great waters of the Pacific. When we separate to return to our homes we shall carry with us an example which we may all strive to emulate.

Once more, in behalf of the members of the association, I thank you for your hearty welcome; it is worth coming 3,000 miles for.

Annual Address of Caldwell Hardy, President American Bankers' Association.

Another year has passed since our last convention, and we come together impressed, as we are at each of our annual gatherings, with the momentous tide which has swept us along into history, the history of a commercial and financial epoch, such as has never been witnessed before, the future of which holds an interest for all of us, and is equalled only by the giant forces which have been instrumental in our progress. To attempt to review in detail these events would be impossible, but I shall aim to touch, briefly, on some salient points bearing on our finances and commerce.

OUR DEVELOPMENT.

A few years ago we were engaged in a battle of the standards, an uncompromising and decisive struggle between a debased standard and the gold standard, recognized by the enlightened world; but, fierce as was the contest, the intelligence of our people arrived at the sound conclusion, as it always does, and in the final adherence to the gold standard laid a new corner-stone of prosperity. And what has enabled us to build on this foundation the widespread edifices of our national growth? Good crops, as the fountain source, lending a new impetus to the wheels of industry, insuring abundant employment for labor in our fields, our mines, our factories and our railroads. A conjunction of these re-awakened energies sent pulsating through our arteries of commerce an increased demand and production, responsive to each other. Good times have come again to our farmers and our manufacturers, and our railroads have been burdened with our crops and products and the return merchandise purchased with their proceeds.

The unprecedented prosperity of the past few years, growing out of these conditions, brought us last fall to a climax of high prices for commodities and securities of all kinds. The same sunshine which brings to its full fruition our rich harvests, also fosters the tares, unless they be plucked up. So among the substantial edifices of our prosperity, have sprung up artificial commercial structures, which have failed signally to stand the test of time. Over-sanguine people, some probably not over-scrupulous (but there are few people more capable of making trouble than your full-fledged, unadulterated optimist), swept away with the craze for making money or anxious to profit by this craze in others, had been capitalizing and recapitalizing schemes of all kinds and inducing people, with paper profits, to underwrite flotations which they were as unable to carry as Gulliver was to lift himself by his boot-straps. The boom had gone too far and the pessimists predicted open disaster, the natural reaction set in, money was in demand at increasing rates, extended credits were being withdrawn, collaterals and securities were closely scrutinized and a general house-cleaning begun where it was most needed, in the weeding out of over-capitalization and inflated securities.

We had gone through a period of liquidation in speculative circles of the most drastic character, without serious results except to the few who have gotten too far beyond their depth. The process is not yet complete and the way is still strewn with cripples and "indigestible" securities, but that general business conditions are sound no one can doubt. That we shall have an ebb and flow in the tides of industry is as certain as the cycle of the seasons, and the source of these tides comes from our mother earth to the tillers of our sail and, as seedtime and harvest yield returns, so shall our prosperity be.

A WORD OF CAUTION.

Let us review, briefly, the attitude and relation of some of our banking institutions to the conditions and incidents referred to, and the methods pursued by them in the prosecution of their business. I refer especially to the vicious policy of paying high rates for deposits, particularly savings and time deposits. The incidents of 1893 and the next few subsequent years left their indelible impress upon the minds of most of our older bankers, but there are not wanting signs that these lessons have been forgotten. If there is any class of men more than others who should never take speculative risks it is those who are handling the earnings and savings of others, and the seeking of deposits at high rates of interest, which can only be earned by speculative investments, is a menace to sound banking. Savings depositors for safety of principal rather than alluring interest rates, which are necessarily coupled with greater hazards, should carefully shun such institutions, of which there are, however, happily but few.

Our banks, indissolubly linked with the commercial interests of our country, have been as a whole eminently conservative, and the present confidence in their stability and soundness attests the ability and fidelity with which you, their representatives, have discharged your great responsibilities.

HAVE WE OVERTAXED OUR WEALTH?

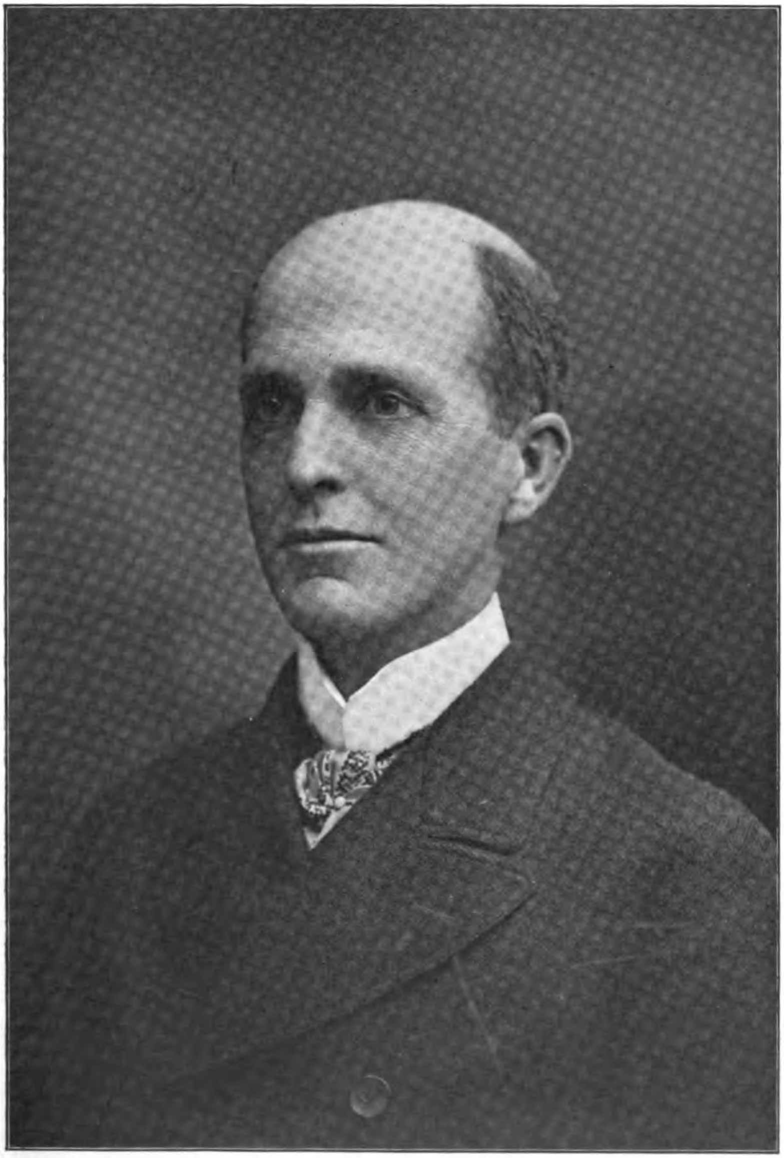
The vast increase in our national wealth is unmistakably attested by the enormous increase in bank deposits, in the aggregate value of our marketable securities, of manufactured products and our industrial plants. That we have successfully stood the liquidation through which we have passed is another unmistakable evidence of our wealth; but, after all, have we not been attempting to develop our resources, even in a legitimate way, more rapidly than our capital would conservatively permit of? Our steady increase of population, healthy as it is, is almost infinitesimal compared with the field before us in undeveloped resources of our country. The population which our country could successfully maintain is so far beyond the ken of human knowledge, that it remains for generations yet unborn to solve the question. If this be so, has not our development outstripped our wealth; and, if so, what is the remedy? Certainly not by seeking to push the development on borrowed capital or inflated credit, but by contenting ourselves with cutting our garment according to our cloth, building steadily, only as our resources enable us, paying as we go, owning what we buy.

THE CURRENCY.

The changes have been rung on it and rightly. I fear you would be reluctant to admit you know more about it than your Bible, but I suspect you think you do all the same, and if there is anything about which a banker thinks he knows more, and probably knows less, it is the currency. The conditions existing in this country differentiate the currency problem for us from that of any other country that has ever had a paper currency, and every man's views are more or less theory when he has had no opportunity of demonstrating them practically. What part has the currency problem played in the stirring commercial events to which I have alluded? The vast majority of us feel assured we have had, so far, all the currency we have needed and that an increase of it, just at this time, would lend a further undesirable stimulus to speculation. The enormous production of gold in the last few years (about which we are to have some very interesting figures from one of our distinguished guests) has been either lost sight of, or, if studied, will furnish food for thought. The advantages claimed for the bank circulation of other countries, over our bond-secured notes, have much merit from a scientific standpoint, if the element of risk could be eliminated which has brought disaster in some instances—notably, in that of the Australian banks some years ago. The practical question is, could it be satisfactorily grafted on to our banking system and, if so, how? The idea of a "central bank" or a "branch banking system" is repugnant to our conception of free government and institutions, and, unless I mistake the temper of our people, will never be accepted. Neither will any form of currency be accepted which does not carry with it the same confidence of security which our bank notes now enjoy.

The discussion of the matter from an academic standpoint can be prolonged indefinitely, but what the practical banker wants is details which will carry conviction to his mind, as to how such a currency can be so guarded as to fulfill the conditions outlined. What we need is a currency to be used, not for the purpose of creating new liabilities, but to enable us to move our crops without distress and to liquidate comfortably liabilities already created. We shall, probably, arrive at some solution of this question, first, in the shape of a limited circulation, so highly taxed as to permit only of its temporary use from time to time, and be governed further by the results of this experiment. I should use here the popular term of "emergency circulation," but for a recent protest from a friend in discussing this subject, which suggests the paraphrase that "a rose by some other name would smell sweeter." He says:

"Why will people continue to refer to this needed adjunct to our currency, by a title (emergency) that would preclude any sound banker from using it, when he would thereby confess that he had reached a point where air was not sufficient for his lungs, and he was using oxygen, equivalent to the doctor's saying he was on his last legs and that there was only one hope of saving him, and that was extreme measures? We don't want an extreme-unction currency."



E. F. SWINNEY

First Vice-President American Bankers' Association.

At your last convention resolutions were adopted authorizing the appointment by your president of a committee of seven citizens of the United States to consider and report to your next convention on the "Currency Question," and, in pursuance of these resolutions, the following gentlemen were appointed on the committee provided for:

C. S. Fairchild, New York Security and Trust Company, New York; H. C. Fahnestock, First National Bank, New York; Myron T. Herrick, Society for Savings, Cleveland; J. J. Mitchell, Illinois Trust and Savings Bank, Chicago; J. C. Van Blarcom, National Bank of Commerce, St. Louis; Homer S. King, Wells, Fargo & Co. Bank, San Francisco; George Q. Whitney, Whitney National Bank, New Orleans.

They have given the matter serious and earnest consideration and their report, which will be presented to you to-day, reflects the care and conservatism with which they have discharged the duty imposed upon them.

THE SUB-TREASURY SYSTEM.

The natural function of a bank is to gather the money of the community that it serves and distribute it in loans on good security among those who need it, and the bank that performs this function with the greatest care and success best serves the interest of its people. The money of the country should stay in the channels of trade, and the miser who gathers his gold and hoards it is a parasite on the body politic; but when the Government by taxation gathers money in advance and in excess of its needs, and withdraws the same from the channels of trade, it is doing exactly what the miser does. No other intelligent people would have so long rested passively under such a system, and we should voice our demands for a reformation of this pernicious practice in no uncertain tones.

The disposition of a Secretary to minimize this difficulty should not depend upon an individual construction of the law, but the statutes on the subject should be made so plain as to make the duties of the Secretary ministerial only, and so regulate the operations of the Government as to meet its requirements without friction with the general finances of commerce.

A discussion of the currency brings us irresistibly to the consideration of this antiquated method of handling Government funds, and the report of our currency committee, heretofore referred to, accentuates the necessity for dealing with this subject as a question to be first disposed of, precedent to the undertaking of any currency reform. The demoralizing effect of the annual talk regarding the locking up of money in the Treasury is almost worse than the actual withdrawal of the funds. Remove the cause of the discussion, and the ending of it will be quite as beneficial as the actual freeing of the money. I hope it may be your pleasure to push vigorously the reform recommended by the committee in this respect.

FORMATION OF GREAT INDUSTRIAL CORPORATIONS.

A consideration of our present development and conditions would not be complete without reference to our corporations of the present day, standing as they necessarily do in such intimate relationship to banking.

In the formation of our great industrial corporations we have been confronted with new and strange conditions so experimental in character that we can as yet reach no conclusion as to what will be their destiny. Eliminating those of a fraudulent or fictitious character, nearly all of them have been subject to criticism in the matter of capitalization, and the weak point, I might say, with all of them has been the failure to provide a reasonable working capital. A considerable number of minor corporations with local credit were able to secure on a legitimate basis an aggregate of bank accommodation, largely in excess of that which could be secured by many of the consolidated corporations into which these minor concerns have been merged. The necessities for enlargements and improvements have not been adequately provided for, and the working capital has often been further impaired by the illegitimate declaration of dividends. That the follies and peccadilloes of these enterprises have not brought more serious consequences to the whole body politic is a cause for congratulation, but it is a subject for regret that there have been so many innocent sufferers from their operations.

FINANCIAL AFFAIRS OF THE RAILROADS.

There has been a greater creation of securities in the consolidation of many of our railroads than actual values, apparently, justify, and where this has been the case we naturally cannot lend our approval; but the concentration of management and control has brought about a stability of rates, which has created an established value for their legitimate securities, without hardship to the patrons of the roads. It is a serious question whether the aggregate market value of all of our railroad securities equals the amounts originally expended in the construction of them with even a moderate return upon the investments. The reduction in the cost of transportation, by reason of the great improvement in the physical conditions of the roads, has made it possible to move freight profitably at rates which would have formerly been considered impossible. I do not mean to suggest that the roads should be left entirely free in the matter of fixing rates, but the reasonable concentration of their management should rather facilitate their control in this respect by conservative legislative enactment. The enormous increase of business developed by our prosperous condition has so overtaxed existing facilities as to necessitate extensive improvements, which have brought the roads into the market with borrowings which have seriously taxed our resources; but where these improvements have been undertaken on a legitimate basis there is, apparently, little reason to apprehend any difficulty in carrying them to a successful completion and utilization.

PUBLICITY OF THE OPERATIONS OF CORPORATIONS.

A word on this subject, as it relates to all public corporations. Some criticism has recently been made of the publication of the weekly New York bank statement. I use the incident merely to point a moral. The form and method of making this statement has been, more or less, a subject of discussion for some time past. If the form and method of publication is not as accurate as it should be, make it what it should be, but do not suppress it. The publication, occasionally, of an individual bank statement, which it subsequently develops is not legitimate, would be a poor excuse for the suppression of bank statements in general, and I think a suggestion that we do away with bank statements would be unanimously vetoed. Bank statements, in general, convey fair and intelligent information as to the status of the banks, and if the same publicity from other public corporations could be required, a most important service would be rendered the public. The great insurance companies, which look to the public for support, recognize the wisdom of publicity by publishing full detailed reports. And where this principle is not voluntarily recognized the States by wise legislation have protected the public by the establishment of departments for the supervision of the companies. The Government has now taken up the work along more general lines through its new Department of Commerce, and I can but think that the movement will meet the approval of the best banking thought of the country.

PROGRESS OF THE ASSOCIATION.

For details of what has been accomplished during the past year. I shall refer you to the report of the chairman of the executive council, within whose province the active work of the association lies, more particularly, and the reports of the various committees.

Our membership continues to show a healthy and gratifying increase, and has now risen beyond seven thousand. The work of our protective committee has been pushed with the vigor and intelligence which have characterized it for years past. Your committee on uniform laws has continued its valuable work, and we look forward to the time when the law of negotiable instruments shall be the same in all of our States. The work being done by our committee on education is only equalled by the undeveloped field before it. There may have been doubts, at times, in the minds of some of our members as to the value of this work, but the results achieved, as set forth in the committee's report, leave no further room for question. What more eloquent tribute to this work could be paid than that which I received in a recent letter from one of our prominent members, reading: "Already four of the most prominent men in instituting our chapter have been raised from 'the ranks' to officials in the banks with which they are connected." Your fidelity committee has devoted itself with painstaking care and assiduity for several years to the protection of your members against the unfaithfulness of employees and establishing of a uniform and fair form of bond, at reduced rates, which has resulted in the saving of many thousands of dollars to our members. The work of the committee has brought it to the point of outlining the future possibilities in the establishment of a "bankers' guaranty fund." This would seem to be the logical conclusion of this work, and unless such a plan be adopted the committee has, probably, accomplished all it can do. The success which similar funds have met with in England and the establishment of them by large banks and other corporations attests their practicality. I cannot too strongly urge upon you the careful consideration of the report of the committee on this most important matter.

In reviewing the various subjects touched upon, I have not hesitated to criticise, where I have felt it necessary, and to display a danger-signal where it seemed to be required, but while counseling conservatism, I would not have you count me a pessimist. Banking has developed into a profession, and not a mere trade. We are insisting upon a more adequate preparation for business, for a larger education, a deeper knowledge of principles and economics and a fuller appreciation of the principles which should govern the relations of men in banking and commercial life. The achievements of our association in protective, educational and legislative work accentuate the possibilities of organized effort and our growth in membership and influence is the tangible returns of the seeds which we have sown. May our future years continue to be filled with the further fruition of our efforts. Who can recount the friendship formed and tell of the memories of pleasant intercourse graven deep in our hearts, for which we are indebted to our beloved association? These may not be weighed and measured by scale and rule, but still would alone be sufficient reason for our existence.

Let us turn our faces, then, to the bright future of our country and our association. When the rising sun to-day first touched the easternmost border of our country, it looked down upon the richest and most prosperous nation in the world, and when to-night it shall have cast its last rays on the Golden Gate, and passed on to Hawaii and the Philippines, it will leave behind the most enlightened and progressive people it has ever shone upon—we of our great Republic.

THE PRESIDENT: The next business in order is the annual report of the secretary.

SECRETARY'S REPORT.

To the Members of the American Bankers' Association:

The membership and resources of the association have increased as follows:

	Paid membership.	*Annual dues.*
September 1, 1875	1,600	$11,606
September 1, 1885	1,395	10,940
September 1, 1895	1,570	12,975
October 1, 1903	7,065	76,538

The interest on $10,000 Government 4's, 1925, $400, makes a total income of $76,938.

In the past year 313 members have been lost through failure, liquidation, and withdrawal from the association, reducing the membership September 1, 1902, to 5,926.

1,139 members have joined since September 1, 1902, making a net gain over last year's total membership of 826, which is the largest number of banks ever added to our rolls in the same space of time.

The total membership is composed of

2,944 private bankers and banks with a capital and surplus below	$50,000
1,501 banks with capital and surplus between	$50,000 and 100,000
1,930 banks with capital and surplus between	100,000 " 500,000
357 banks with capital and surplus between	500,000 " 1,000,000
333 banks with capital and surplus of	1,000,000 and over.

The aggregated capital, surplus and undivided profits of our members amount to $10,547,230,405.

Respectfully submitted,

Oct. 1, 1903. JAMES R. BRANCH, *Secretary.*

THE PRESIDENT: The next business in order is the annual report of the treasurer, Mr. Geo. F. Orde.

TREASURER'S ANNUAL REPORT.

CHICAGO, Ill., September 1, 1903.

To the American Bankers' Association:

Gentlemen—I have the honor to submit the following report of receipts and disbursements since the beginning of the current fiscal year, viz., September 1, 1902:

To Cash.	
1902—Sept. 1.	
Standing protective committee....	$38,199.65
Committee on fidelity insurance...	2,080.55
Committee on education...........	7,693.92
Committee on uniform laws.......	55.50
Trust Company Section.	478.88
Savings Bank Section...............	696.50
Expenses of New Orleans convention................................	5,761.42
Proceedings, 1902....................	3,962.74
Distributing proceedings, 1902......	1,135.97
Circular letters (23,650).............	180.79
Stamped envelopes..................	1,111.54
Printing, stationery, etc...........	324.06
Salaries...............................	15,656.75
Sundry expenses.....................	543.48
Expenses executive council meeting, April 21, 1903..................	2,639.48
Rent..................................	2,033.34
New York Telephone Company....	167.24
Petty cash........................	120.00
Traveling expenses of secretary...	271.25
Premium on officers' bonds.........	56.25
Office fixtures.......................	410.00
Returned dues, received in error...	15.00
Account drafts deposited Aug. 31, 1902..................................	30.00
Drafts charged back (234) account of dues for year 1902-03...........	1,935.00
Balance August 31, 1903.............	72,382.47
Total.............................	$157,921.80

By Cash.	
1902—Sept. 1.	
Balance..............................	$63,718.52
Proceeds of $10,000 U. S. Reg. five per cent. bonds of 1925, at 135 3-16 net..................................	13,518.75
Interest on bonds....................	700.00
Proceeds sale of 17 copies trust company forms....................	208.06
Proceeds set of "Bulletins"........	25.00
Dues from 1,067 members 1902 03...	7,436.45
Dues from 2,112 old members paid in advance for 1903-04.............	23,255.00
4,563 bills for membership dues for the ensuing year (subject to the deduction of unpaid bills) deposited with the Northern Trust Company Bank, Chicago, Illinois.	49,060.00
Total.............................	$157,921.80

Balance August 31, 1902.. $72,382.47

The National Bank of Commerce, New York, holds for account of the American Bankers' Association $10,000 U. S. registered four per cent. bonds of 1925, at a market value of $13,500.

Respectfully submitted,

GEO. F. ORDE, *Treasurer.*

THE PRESIDENT: If there is no objection, the report will be referred to a committee for audit, this committee to consist of Mr. Cambell, of the Hanover National Bank, New York; Mr. McAlister, of the Franklin National Bank, Philadelphia, and Mr. George M. Reynolds, of the Continental National Bank, Chicago. This committee will submit their report later.

The next business is the report of the executive council by Chairman E. F. Swinney.

REPORT OF EXECUTIVE COUNCIL, BY E. F. SWINNEY, CHAIRMAN.

Mr. President, Ladies and Gentlemen—The report of your various committees will give in detail the work of the association for the last year. The statement of the secretary shows that the membership has grown in a most satisfactory manner, especially when we take into consideration that a large majority of the banks were already members.

The income of the association has increased, but not in proportion to the expenses, the main item of expense being that of the protective committee, on account of the running down and breaking up, to a large extent, of organized bands of dangerous criminals, who worked in all sections and perpetrated some of the most daring robberies ever undertaken. The report of the committee will give full detail as to the work, and the association is to be congratulated on the signal success in this direction.

At the meeting of the council in New York last spring a committee was appointed to take up the question of revising the dues of the association. This report will be presented to you, and the council unanimously urges its passage.

The work of the currency committee appointed by the President under resolution passed at New Orleans is clear and to the point and their suggestions are well worth the careful consideration of the association, and the council would unanimously recommend its approval by the association. This committee being composed of financiers of national repute from all parts of the United States, their views naturally represent what they consider the welfare of the country at large, and not in the interest of any one particular section. From personal interviews with members of the committee at various times we can appreciate the care and great consideration given the subject and their efforts deserve the highest commendation of the association.

The work of the committee on education is showing its good effects. Their expenses have been decreased and we believe their efforts will bring still better results.

The committee on fidelity insurance offer the following resolution:

AN AMENDMENT TO THE CONSTITUTION OF THE AMERICAN BANKERS' ASSOCIATION, PRESENTED BY THE FIDELITY INSURANCE COMMITTEE.

An amendment to article 3 of the constitution of the American Bankers' Association by the addition of section 11:

"Sec. 11. The executive council shall appoint a board of five trustees for the management and administration of a fund to be known as 'American Bankers' Guaranty Fund.' Said fund shall be established for the purpose of enabling such of the members of this association and their employees as may elect to become subscribers and contributors thereto and to avail themselves of the advantages thereof to provide, by means of a general co-operation among said members and their employees, a fund from which said members may be reimbursed for losses arising from the dishonest acts of their employees. Said board of trustees shall establish rules and regulations for the government and management of said fund, and the rules and regulations formulated and adopted by the trustees shall be binding upon all the contributors to and beneficiaries of said fund. Vacancies in the board of trustees shall be filled by the executive council and it shall be the duty of the council to annually appoint an auditing committee to audit the books and accounts of said trustees; but nothing herein contained shall be construed as creating any financial liability by the association on account of said fund."

The council appreciates the great efforts the committee has made in working out and considering this question, but after careful consideration of the ills which might arise should the association adopt its report, recommends that it be not adopted.

I would ask that no action be taken on this resolution until after we have the report of the committee on fidelity insurance.

The next resolution will be read by the secretary. This resolution was offered by Mr. Lewis E. Pierson, Vice-President of the New York National Exchange Bank:

The secretary read as follows:

"Resolved, That this association adopt a bank money-order system, and that the president appoint a committee of five to devise a plan whereby members can be furnished uniform bank money orders with proper advertising matter in connection with the same at a minimum cost.

"The report of this committee shall be rendered to the executive council, which is hereby empowered and requested to authorize such expenditure as shall in their judgment be proper to enable the committee to carry out its recommendations."

Mr. Swinney (continuing): The council recommends the adoption of the foregoing resolution.

The following resolution is offered by Mr. Stephen M. Griswold, President of the Union Bank, of Brooklyn, N. Y.:

"Whereas, The practice of paying interest on daily balances to individual depositors has grown to the extent of impairing the prosperity of many of the banks of our country; be it therefore

"Resolved, That it is the sense of this convention that conservative banking demands that no such interest shall be paid,

"Resolved, That the foregoing resolution be referred to the executive council for consideration and action."

The council places the papers desired before the convention.

The next is a resolution from Mr. George Seay, of Scott & Stringfellow, of Richmond, Virginia. This is a long resolution, and in view of the report we will have from the currency committee, the council would suggest that it be laid upon the table. However, if any one desires it, we can have it read.

J. M. Holley, President Wisconsin Bankers' Association, La Crosse, Wis.: What is the tenor of the resolution, Mr. Chairman?

The Secretary: It is a letter received from Mr. Seay, who is the president of the Virginia Bankers' Association. I will read it, if you desire.

The secretary read the resolution as follows:

Whereas, By act of Congress approved March 14, 1900, the dollar, consisting of 25.8 grains of gold, nine-tenths fine, was made the standard unit of value in the United States, by which the value of all property shall be measured, tested and proved; and

Whereas, By the provisions of the said act the notes of the United States known as greenbacks, amounting to $346,681,016, together with the notes of the United States known as Treasury notes given for the purchase of silver bullion, amounting at that time to $86,770,000, all of which notes being used as currency, passing from hand to hand, each dollar for the value of a gold dollar, were expressly made redeemable in standard gold coin: and

Whereas, There are other forms of currency in daily use among the people, passing from hand to hand, each dollar for the value of a gold dollar, equally based upon the good faith and credit of the United States, and equally entitled to be measured, tested and proved by the same standard of value; and

Whereas, It was declared in terms in the said act that all forms of money issued or coined by the United States should be maintained at a parity of value with this standard; therefore, be it

Resolved, That we, the members of the American Bankers' Association, in convention assembled, believe it to be wise that all forms of currency should be made equally redeemable in standard gold coin, and that only by such provision can parity at all times and under all circumstances be effectively maintained, and that failure to so provide for the redemption of all forms of currency alike in the standard unit of value will continue to be construed as a discrimination against such forms as are not made so redeemable, and that we further believe that 'The only thing that can be done to make our financial system sound and safe and solid, is to get down to one legal tender, and that is gold, and then to bank upon a currency circulation enlarged beyond the present authorized issues of the National banks, and based upon the credit of the legitimate trade of the country, and rigidly safeguarded under the law'; therefore, be it further

Resolved, That we urgently recommend That proper laws be promptly enacted to render the gold standard inviolate, and, to that end, that the Secretary of the Treasury be directed to maintain at all times on a parity with gold the legal-tender silver dollars remaining outstanding, and that he be directed to exchange gold for legal-tender silver dollars, when presented to the Treasury.

That the coinage of one million and a half of silver dollars per month, now required by law, should cease.

That the Secretary of the Treasury should be authorized to coin the silver bullion in the Treasury into such demoninations of subsidiary silver coin as he may deem necessary to meet public requirements, and, as public necessities may demand, to re-coin silver dollars into subsidiary coin."

Mr. Swinney (continuing the report of the executive council): In view of the fact that there is already a currency report before the convention, the council thinks it would be wise to lay this matter on the table.

It is the custom to appropriate five thousand dollars to be used by the city in which the annual convention is held, for the purpose of aiding in defraying the expenses. This matter took its usual course, but the bankers of San Francisco declined to accept same, wishing to pay themselves all the expenses for this meeting.

It is useless for the council to make any remarks on this subject. Their extreme generosity and lavish hospitality speak for themselves.

The report of the committee appointed last spring in regard to revising the dues of the association will also come in here.

The secretary read the report referred to, as follows:

San Francisco, October 21, 1903.

To the Executive Council, American Bankers' Association:

At a meeting of the Executive Council, American Bankers' Association, held in New York city in the spring of 1903, the undersigned were appointed a committee to consider and report to the council regarding the increase in dues of members of the association.

Your committee have given much time and consideration to the subject. The conditions existing show a disbursement account of the association largely in excess of the income. Last year the income was slightly over seventy thousand dollars, and the expense account was something over ninety thousand dollars. With this condition, it is necessary, unless we curtail the work of the protective committee, to increase the dues. The protective committee shows such practical results and is such a striking feature of the association that the logical duty of the committee is to frame a plan for the equitable increase of income. This we have done on the plan outlined below. The present schedule of annual dues is as follows:

ANNUAL DUES.

Private bankers and brokers and banking firms	$5.00
Banks and trust companies with less than $50,000 capital and surplus	5.00
Banks and trust companies with $50,000 and less than $100,000 capital and surplus	10.00
Banks and trust companies with $100,000 and less than $500,000 capital and surplus	15.00
Banks and trust companies with $500,000 and less than $1,000,000 capital and surplus	20.00
Banks and trust companies with $1,000,000 and over capital and surplus	30.00

Your committee recommends a revision of the different classes of members and establishment of dues for each class according to the following schedules:

Capital and Surplus.	Dues per year.
Below $100,000	$10.00
100,000 to $250,000	20.00
250,000 to 500,000	25.00
500,000 to 750,000	30.00
750,000 to 1,000,000	40.00
1,000,000 to 2,000,000	50.00
5,000,000 and over	75.00

Results of these changes will increase the income of the association on the basis of the present membership about $35,000.

Respectfully submitted,

Chairman: A. H. WIGGIN,
CALDWELL HARDY,
F. G. BIGELOW,
J. L. HAMILTON,
J. R. McALLISTER,
W. L. MOYER,
W. T. FENTON.

The foregoing report was accepted at the meeting of the executive council held October 20, 1903, at San Francisco, and it was voted by the executive council that the resolution be recommended to the association for adoption.

Therefore, under instruction from the executive council of the American Bankers' Association, I beg to offer the following resolution:

Resolved, That the following schedule of membership charges to take effect beginning September 1, 1904, be adopted:

(The dues are stated above.)

THE PRESIDENT: If there is no objection, the report will be received and filed as is customary.

LEWIS E. PIERSON, Vice-President New York National Exchange Bank: Mr. Chairman, I move that the resolution on bank money orders come up for discussion after the address of Mr. Hillyer this morning.

The motion was seconded by R. L. Crampton, of the National Bank of the Republic, Chicago, and was carried.

THE PRESIDENT: The next matter presented by the chairman's report is the resolution relating to the fidelity business, and if there is no objection that matter will be postponed, in accordance with the suggestion of the chairman, until we have the report of the committee on fidelity insurance.

The next matter is the action of the currency committee, whose report has been presented by the council with the recommendation that it be adopted. Mr. Wiggin has offered a resolution that the report, endorsed by the council, as to the readjustment of the dues of the Association, be adopted. Does that meet with a second?

The motion was seconded.

THE PRESIDENT: It was moved and seconded that the report of the committee on dues, readjusting them, as endorsed by the executive council, be adopted.

The resolution was unanimously adopted.

THE PRESIDENT: The secretary will now read the report of the currency committee, which is referred to in the report of the chairman of the council.

The secretary read the report of the currency committee, as follows:

REPORT OF THE CURRENCY COMMITTEE.

To the American Bankers' Association—As instructed by the Special Currency Committee appointed at New Orleans to investigate and report on the present currency system of the United States, the chairman of this committee not being in attendance at this convention, I beg leave to submit the following report:

There is at present more real money in the United States than at any previous period in our history. Taking the country altogether there is no scarcity of money, including United States and National bank notes, to meet any legitimate demands of business. Compared with September 1 a year ago the National banking circulation has increased $52,827,551.

The general stock of money in the United States September 1, 1903, was as follows:

Gold coin, including bullion in Treasury	$1,267,733,949
Standard silver dollars	555,853,494
Subsidiary silver	101,867,228
Treasury notes of 1890	17,970,000
United States notes	346,681,016
National bank notes	418,587,975
Total	$2,708,693,662

At the same date there was in circulation:

Gold coin	$620,375,159
Gold certificates	394,155,919
Standard silver dollars	72,959,012
Silver certificates	455,928,384
Subsidiary silver	92,870,952
Treasury notes of 1890	17,850,254
United States notes	335,377,568
National bank notes	399,384,930
Total	$2,388,902,178

making a circulation per capita of $29.60, compared with $28.55 September 1, 1902.

In the opinion of your committee the most serious need is the reform of the Sub-Treasury system in such wise that the money withdrawn from the banks for custom duties, as well as internal revenues, shall be deposited in the banks and thus be made available for use in the community from which it has been withdrawn. Such a reform could be inaugurated by giving the Secretary of the Treasury discretionary authority to permit deposits to the extent of fifty per cent. of the capital and surplus of National banks of customs receipts as well as internal revenue receipts guaranteed by securities acceptable to the Secretary of the Treasury. Such an arrangement would render impossible the embarrassments which have frequently occurred as the result of Treasury accumulations.

Regarding the question of circulation, the first and most important requirement is the immediate repeal of the present limitations of $3,000,000 per month upon the withdrawal of circulation, so that the expansion and contraction will be automatic and governed by the surrounding situations. Under the present restrictions many banks are unwilling to issue currency for temporary and legitimate needs, which they would issue if they felt certain that their currency could be retired when no longer needed.

Emergency circulation could, within careful limitations, be safely permitted upon the actual deposit with the Treasury department of securities acceptable to the Secretary of the Treasury. And upon such deposits circulation could be issued promptly to meet actual emergencies, which would not be possible if time were taken for the examination of general assets by the Secretary of the Treasury and Comptroller of the Currency. A tax of six per cent. per annum should be imposed upon such emergency circulation to ensure and hasten its return to the issuing bank; this tax to be set aside as a safety fund to secure the United States Treasury for the redemption of notes so issued. This emergency circulation should be issued without any distinguishing mark from other National bank circulation except to substitute the words "secured by bonds approved by the Secretary of the Treasury," instead of the words "Bonds of the United States," for, being amply secured, there should be no discrimination against it beyond the six per cent. tax.

To further liberalize the circulation, your committee recommends that the United States tax on circulation should be uniform on the issue of currency based on all classes of United States government bonds.

In the judgment of your committee these modifications of law can be authorized without damage or discredit to the National bank circulation, but your committee cannot recommend any step that will tend toward a return to the miscellaneous circulation which prevailed in the country before the war, or any step which will disregard the history of finance among the commercial nations of the world, nor can it recommend that any note should be issued without the certainty of its redemption in standard coin of the United States.

The above report is signed by CHARLES S. FAIRCHILD,
H. C. FAHNESTOCK,
MYRON T. HERRICK,
HOMER S. KING,
J. J. MITCHELL.

In the foregoing report I am impelled to dissent from the recommendation for the repeal of the law restricting the redemption of National bank circulation to $3,000,000 a month, for the reason chiefly that it seems to me to be inconsistent to in the same report recommend a method for an increased circulation and to insert a provision urging a means by which the circulation may be at any time diminished.

With the exception of this dissent the foregoing report has my hearty concurrence. GEO. Q. WHITNEY.

Respectfully submitted, JAS. R. BRANCH, Secretary.

THE PRESIDENT: In order that the members may familiarize themselves with the report of the currency committee, and be prepared to vote on it intelligently, and give them time for such consideration as they desire, action on it will be postponed, and it will come up under the head of unfinished business Friday morning.

D. A. MOULTON, Vice-President Corn Exchange National Bank, Chicago: Mr. Chairman, I would like to enquire if that report provides, among other recitals, that the emergency circulation shall draw interest at the rate of six per cent. It bears certain recitals. I do not think it bears that, which was the most important, to my mind.

THE PRESIDENT: We will be glad to furnish you a copy of the report, and take that up when we come to discuss it.

The next matter is the report of the protective committee. I am sorry to say that the express company, owing to the great distance these had to be sent, probably, has failed to deliver copies of this report.

REPORT OF THE PROTECTIVE COMMITTEE.

The protective committee begs to submit the following report of the work committed to its care by the executive council for the year 1902-1903:

Balance as per treasurer's report. September 1, 1902	$1,764.35	
Appropriated by the executive council	36,000.00	
		$37,764.35
Paid account expenses, 1901-1902	$2,009.96	
Paid account expenses, 1902-1903	36,189.69	
		$38,199.65
Total expenditures	$38,199.65	
Total receipts	37,764.35	
Balance at debit. September 1, 1903	$435.30	

Keeping pace with the membership of the association, which has increased in the last five years from 3,385 in the fall of 1898, to more than 6,900 in the fall of 1903, the volume of reports, letters, etc., presented for the consideration of your protective committee has grown from 2,000 in 1898 to more than 4,900 which have been considered by them from September 1, 1902, to September 1, 1903. From these have been compiled one hundred and twenty-one circulars of information, which have been forwarded in pamphlet form to members throughout the country, accompanied by forty-eight photographs and descriptions of active criminals selected by the detective agents of the association for purposes of warning and identification.

Special circulars have been issued in two instances, as follows:

In January, 1903, on account of the frequent attacks by "yegg" burglars on banks in towns and villages with little or no police protection, and as it had come to the notice of the protective committee that several members whose signs had been lost or were not readily seen had suffered attack in consequence, a circular was sent to members throughout the country with special information and precautionary advice, urging them to keep their membership signs prominently displayed at the paying teller's window. Several requests to replace lost signs with new ones followed the issue of this circular, and a notable instance of the need of so doing occurred when a band of "yeggmen" who had been active in safe robbery in several States made their first attack, so far as known, upon a member of the association—the First National Bank, of Irwin, Pennsylvania. For some time prior to the attack this bank had been without its membership sign, which had been broken and never replaced. On the night of December 8 its vault was blown open and robbed of $18.30 in loose cash, together with stamps and bonds placed with the bank for safe keeping. The detective agents of the association traced out the perpetrators, some of whom were directly sentenced for this work, while the others have been sentenced for offenses elsewhere committed. In another instance, at Princeville, Illinois, burglars who had entered the Auten & Auten Bank with heavy tools stolen for the work, accidentally discovered its sign of membership, and, placing it upon the paying teller's counter, abandoned their purpose to attack the safe. Subsequently the same men, three in number, successfully attacked the safe of the First National Bank, Abingdon, Illinois, a member of the association, whose sign, as they declare, they did not see. They secured $5,049 from the safe, but were arrested shortly afterward, and the agents of the association secured the return of a considerable portion of the stolen money. Two of the men have been sentenced, while the third is held for a later term of court.

In July, 1903, a special circular was sent through the country offering rewards aggregating $800, of which the Governor of Missouri offered $300, William A. and Robert A. Pinkerton, conjointly, $250, and the American Bankers' Association $250, for the detention and surrender of William Rudolph, who escaped on July 6 from the St. Louis prison, where he had been confined with George Collins, charged with murder. On the night of December 26, William Rudolph and George Collins forced the safe of the Bank of Union, Missouri, and secured about $12,000 in cash, which they secreted at the house of Frank Rudolph, a relative of William, in the outskirts of the adjacent town of Stanton. An operative traced the men to the Rudolph house, secured warrants for their arrest and a search of the premises, and approached the house for this purpose on January 24, in company with three local officers. Apprised of their approach, Rudolph and

Collins made a sudden attack upon the officers when they had reached the door. The detective was shot down and the local men put to flight. Rudolph and Collins escaped temporarily, and it was not until March 1 that their capture was effected at Hartford, Connecticut, by the detective agents of the association and police. More than $9,000 of the stolen money was recovered, part of it being found at the Rudolph house and $8,685 being secured from the prisoners at Hartford. Soon after their arrest they were transferred to Missouri, and held in the St. Louis Prison for safe keeping. Just prior to the date set for their trial Rudolph was enabled to escape through a skylight while a disturbance among the other prisoners diverted the attention of the prison guard. The trial of Collins was duly held, and on July 21, at Union, Missouri, he was convicted of murder in the first degree, and sentenced to be hung. His execution, originally set for August, has been delayed by an appeal of the case.

In the matter of the attack upon the First National Bank, Cobleskill, New York, which resulted in the death of the town watchman, November 26, 1900, and the subsequent capture of the five living marauders, the committee has now to announce, in addition to the sentence of Edward Jackson last year reported, the sentence of John Murphy to life imprisonment, the electrocution of James P. Sullivan, March 24, 1903, and the electrocution of William O'Connor, July 7, 1903. William Harris, witness for the State, who has been confined since March 17, 1901, recently escaped from the new Schoharie County Jail.

The important Winnemucca matter, so fully treated heretofore, involving as it did the operations of an outlaw band of train robbers, and enlisting the co-operation of the railroad officials, has resulted in the practical annihilation of the band. Two of its members, now at large, who were engaged in the attack on the First National Bank of Winnemucca on September 19, 1900, are reported exiles who dare not return to the United States, while the third man at liberty, who is also in hiding, is an escaped prisoner, having broken from the Knoxville Penitentiary on June 27, after he had been sentenced for twenty years for passing bank notes stolen in incomplete form in a train robbery, and later completed by forgery.

Similar to the Winnemucca robbery was the robbery of the Stockgrowers' Bank, Bridger, Montana, on December 2, 1902, at noonday, when Jesse Linsley, Patrick Murray and William Countryman rode directly to the bank from the outlying country, and, covering with their revolvers the cashier and one townsman who was in the bank, took possession of $2,338 exposed money and fled. In this instance however, the men were trailed into the mountains and arrested by the Carbon County sheriff. Their conviction followed, and Jesse Linsley and Patrick Murray were sentenced to eight years each and William Countryman to one year in the penitentiary at Deer Lodge.

Including the expensive cases mentioned above, sixteen members have been robbed by burglars and outlaw raiders, and eleven have been unsuccessfully attacked, from September 15, 1902, to September 15, 1903, with a total loss of $49,-420.23, comparing favorably with the reported losses of $137,311.28 suffered by non-members, fifty-seven of whom have been robbed and forty-one attacked without success.

The attacks upon members have been exhaustively investigated. Thirty-three robbers implicated therein have been arrested and twenty-six have been sentenced to varying terms of imprisonment. In addition, five "yeggmen" arrested during previous seasons were this year sentenced. In some instances bands known to be guilty of attacking members have been arrested for other offences, convicted and sentenced, with the co-operation of the detective agents of the association, because their conviction in the matter of direct interest would have been difficult, if not impossible. One band of four men convicted during the year operated last year at Holland Patent, New York, where it made an unsuccessful attack upon the safe of the First National Bank.

The only operation by sneak thieves upon the association occurred when Philip Lamble stole $255 from the National German-American Bank, St. Paul, Minnesota, on August 19, aided by a confederate at the telephone, whose purpose was to call the paying teller from his cage, and followed this on August 22 by stealing $835 from the First National Bank, Kansas City, Missouri, in the same manner. The agents of the association had secured clues to the identity of the thieves, when, on September 1, while operating the same method at Milwaukee, Philip Lamble was discovered at the Germania National Bank, pursued and captured. A package of bills amounting to $500, which he attempted to steal, was recovered.

Following are a few brief and suggestive items bearing on the work for the past year:

1. Robbers who were arrested for attacking a member did so, they declare, in ignorance of its membership. Their statement is credible because they had previously abandoned their purpose to attack a member, from which they withdrew upon the accidental discovery of its membership sign.

2. A band of "yeggmen" who had, heretofore, carefully avoided members of the association, attacked one last winter. It has been since discovered that the bank had broken its membership sign and been without one for several months.

3. Fourteen members of the association were robbed by burglars during the season, with a resultant loss of $43,686.18, while fifty-seven successful attacks upon banks not members of the association resulted in a reported loss of $137,311.28.

4. From May 1, 1895, to September 15, 1903, members of the association have lost $140,021.73 by the operation of burglars and thieves.

5. From May 1, 1895, to September 15, 1903, banks not members of the association have lost, as reported, $930,749.75 in the same way.

6. The only forgery organization that operated upon a member during the past season was broken up at the start by the arrest and conviction of its members. There is no similar organization in the field, so far as known.

The culmination of an expensive forgery case was reached this season in the disruption of a new organization led by John S. Brush, a forger of considerable skill, derived years ago in the association of a band of clever penmen, who have been driven out of the business since the formation of the protective feature of the association. The arrest of Brush is the result of two years' work to fix the responsibility for occasional clever forgeries, dating from August, 1900, reproducing the signatures and endorsements of bank depositors in a manner to throw suspicion on employees having access thereto. In August, 1900, a member was defrauded in New York city, and attempts were made on two members in Newark, New Jersey, where the presenter was arrested and later sent to the penitentiary. In December, 1901, two more banks, members, were defrauded in New York city, but although a careful investigation directed suspicion toward Brush, no evidence could be had until the fall of 1902, when he resumed operations on a broader scale, with George Ross as middleman and Alfred Hearst and Alexander Stone as presenters of his forged checks. So careful was Brush, however, that several banks were operated upon before the evidence would warrant his arrest, which was accomplished December 29, followed by the apprehension of his helpers. George Ross gave evidence for the State, and the other men pleaded guilty. In consideration of his advanced age, sixty-two years, and the long terms previously served by him, Brush was only sentenced to five years in State's prison. Alfred Hearst received a similar sentence, and Alexander Stone was sent to the Elmira Reformatory.

Reports have been received involving the operations on members of the association from September 15, 1902, to September 15, 1903, of one hundred and forty-five forgers and swindlers, sixty-five of whom have been arrested. Twenty-one of these have been sentenced, while for operations previous to this season there have been seven forgers and swindlers convicted and sentenced. In addition, one forger, who previously served a term for defrauding a member of the association, was arrested while preparing to go on the road with bogus letter-heads and drafts. The detective agents of the association were prepared to connect him with a series of swindles recently committed, and he pleaded guilty and was sentenced to the penitentiary for a term of four years.

Many of the successful bank swindles contain an element of the confidence game, and could be easily prevented by bank officers. In this class is the work of an annoying swindler who is now at large. As a stranger, newly arrived in town, he will express his intention of opening an office, and will make some apparent preparation to commence business. Without other formality than the introduction of his prospective landlord, an initial cash deposit and a plausible story along the above lines, he is permitted to deposit drafts for considerable sums, which are found to be fraudulent after he has drawn the greater portion of his supposed balance and left town.

Following is the detailed financial statement of the protective committee from September 1, 1902, to September 1, 1903:

RECEIPTS.

Balance, as per treasurer's report, September 1, 1902	$1,764.35
Appropriated by the executive council	36,000.00
	$37,764.35

EXPENDITURES.

Paid Pinkerton expense incurred prior to September 1, 1902	$1,709.96
Other expense incurred prior to September 1, 1902	300.00
Paid Pinkerton expense from September 1, 1902, to September 1, 1903	30,989.69
Salaries and expenses as per vouchers	4,902.00
Paid T. Hanrahan & Co., 1,000 aluminum signs	122.50
Paid Stumpf & Steurer, 1,000 protective pamphlets and expressage	113.50
Paid L. W. Lawrence, 300 ruled and printed forms	7.00
Petty cash	55.00
	$38,199.65
Balance at debit	$435.30

The protective feature of the American Bankers' Association has been in operation since the Fall of 1894. It has fully justified itself in every particular save that of suppressing the "yeggmen" who, as a class of criminals, have become important in the past few years. The operations against these enemies of small banks have been difficult, tedious and expensive. The committee has left nothing undone to break up these gangs of "yeggmen," but it is evident that much labor and expense will be involved in this feature of the protective work in the future. Bankers in small towns should be on their guard and should make preparations to act promptly and intelligently in defense when attacked, and in the effort to capture the criminals.

We append the report of the Pinkerton National Detective Agency, which is distributed among the members in printed form, and will follow this report in the proceedings of the convention. Respectfully submitted,

PROTECTIVE COMMITTEE,
AMERICAN BANKERS' ASSOCIATION.

The next report is the report on fidelity insurance, by Mr. John L. Hamilton.

Mr. Hamilton, of the committee on fidelity insurance, submitted the following report:

Report of Committee on Fidelity Insurance of the American Bankers' Association.

To the American Bankers' Association:

The committee on fidelity insurance begs to report that, in pursuance of a recommendation made by the executive council at the Denver meeting in August, 1898, and adopted by the association, "That a committee of this association be appointed to inquire into the rates of surety bonds and to recommend a standard form of policy, and to consider any plan or plans that may be submitted," we have endeavored to carry out the wishes of the council and the association to the best of our ability.

The committee in this work has endeavored to be absolutely fair with all parties interested, and has endeavored to consider without partiality the equitable rights of the employees, the employers and the fidelity companies, and in its reports has endeavored to point out the true conditions as they have been found to exist from the carefully-gathered statistics reported to us confidentially by the banks of the country. We are satisfied the information we have is the most reliable of any to be had in the United States.

RATES.

The committee wishes to emphasize the fact that since its appointment in 1898, and the careful study of its reports by many of the members, the rates for writing bonds have become more uniform and have been reduced fully twenty-five per cent., resulting in the annual saving to the members of the association alone of $132,368.50, a sum of money almost double the annual dues of this association, to say nothing of the benefits the efforts of this committtee have been to non-members, which would easily equal that of the saving in premium to the members.

FORM OF POLICY.

We have had prepared by the best legal talent the American Bankers' Association copyrighted form of bond. This bond, we believe, is the best form of bond written to-day. It is equitable to the insurer and the insured, and gives protection to the bank. We are convinced of its merits, as there has never been, to the knowledge of this committee, a contested loss on this form of bond, and there have been cases where, on the same risk, other forms have been contested and the association form paid.

Another proof that our form of bond is superior is the fact that all fidelity companies, with three exceptions, exact a higher rate than on their own form for obvious reasons. We need to advance no stronger argument why our members should use the association's form.

Another proof of its merits is that forty per cent. of the members of the association have adopted it after a careful examination of its provisions by their attorneys. This is the only bond written that has to stand upon its own merits, as fidelity companies never offer to write it unless the banks insist upon having it.

An advantage to members who use the association form of bond is that it is being universally adopted and thereby secures uniformity to banks in case of litigation.

PROTECTION DEMANDED.

The Comptroller of the Currency and the banking departments of many of the States insist, and the laws of some of the States require, that banks bond their employees, not only for the protection of their stockholders, but for the protection of their customers as well.

The apparent desire of corporate fidelity insurance or bonding companies to discriminate against the American Bankers' Association copyrighted form of bond has led this committee to recommend that the American Bankers' Association establish what may be known as the American Bankers' Guaranty Fund, under the management of a board of trustees to be appointed by the executive council, to guarantee the fidelity of the employees of those banks only that are members of the association.

From our reports we have learned that our members are carrying $183,705,570 in bonds, and are paying annual premiums of $388,779.33 against a loss averaging for the past ten years not to exceed $45,000 per annum. We are convinced that the bankers of this country are paying an excessive rate for this insurance, and our convictions are supported by statistics of English companies covering periods of thirty-seven and thirty-eight years respectively. We are convinced that it is not good policy for the American Bankers' Association to single out and authorize the secretary, or any one the association might see fit to appoint, to solicit business for some particular bonding company, as is now being done by many State associations, for a commission which is paid into the treasury of the organization. This method carries a moral guarantee at best, of any company that may be selected, and places the association in a position which in time might bring serious embarrassment.

Your committee, having carefully studied conditions here and abroad, and having gathered statistics as comple as possible, reported to the executive council and the New Orleans convention that unless it was the purpose of the association to put the information to some practical use, the committee be discharged. It was decided by the executive council that this committee continue its labors for another year, and that its report be published in pamphlet form and sent to the members of the association, calling the attention of the members especially to this report and asking for their approval or disapproval. Not having a complete list of our members, we sent our report to all bankers of the United States, and in answer to our inquires received replies from forty-two hundred and fourteen (4,214) members, or about two-thirds of this association, reporting favorably to the association taking up the work; three hundred and ninety-three (393) reporting unfavorably, while two thousand and ninety-six (2,096) of the members, or less than one-third—mostly private bankers and bond brokers—were indifferent and did not answer our inquiries. From non-members of the association we received twenty-seven hundred and sixty-nine (2,769) replies, and of this number twenty-seven hundred and fifteen (2,715) favored the scheme, while fifty-four (54) opposed. A majority of those banks not members favoring the proposition wrote that if suitable plans were adopted by the association they would become members thereof. Ninety-one and one-half (91½) per cent. of those answering favored the proposition, and ninety-eight and one-tenth (98.1) per cent. of the non-members answering favored the proposition. Sixty-nine-hundred and twenty-nine (6,929) members and non-members are favorable to the proposition, while four hundred and forty-seven (447) have expressed themselves as unfavorable. Ninety-three and nine-tenths (93.9) per cent. of the answers received are favorable to the association taking up this line of work.

RECOMMENDATION.

The executive council at New Orleans decided that if a majority of the banks, members of the association, were favorable to this proposition the committee should consider and recommend the best plan for the association to adopt in the bonding of its employees, and prepare rules and regulations governing the same. In compliance with said directions we have prepared and filed with the secretary of this association an amendment to article three (3) of the constitution by the addition of section eleven (11), creating the "American Bankers' Guaranty Fund," controlled by a board of five trustees to be appointed by the executive council. Having considered the different forms of corporations, and owing to the conflicting laws of the different States, under advice of the best legal talent we have decided that there is only one safe and practical way to bond employees, and that is by the creation of a guaranty fund in the hands of trustees. In this manner members will be furnished indemnity, amply secured by a trust fund, giving better protection than they now have and ultimately, we believe, at a rate not to exceed one-third the average rates now paid.

Your committee is convinced of the practicability of this plan. It is not an untried experiment, for it has been in practical operation in England for thirty-eight years under the Bankers' Guaranty and Trust Fund, and for thirty-seven years under the Colonial Trust Fund. The number of employees bonded in the Bankers' Guaranty and Trust Fund is almost identical with that of the membership of this association. The average losses in this country vary only seven cents on the $1,000 from that in foreign countries, as shown by statistics gathered by this committee.

In addition to these companies we have the evidence of the Union Bank of London, which established a fund in 1890; the London City and Midland, which established a fund in 1889; the Bank of Scotland's Guarantee Fund, established in 1869; Glynn's Guarantee Fund, established in 1865, and the Bank of England's Guarantee Fund, established in 1841. All these funds have and are being successfully managed and are highly recommended by the leading banks of England; and in our own country we have the Adams Express Company and the American Express Company, who bond their own employees.

Your committee has prepared rules and regulations for the government of such a fund, similar to those that are successfully used by the English trustees, changing them sufficiently to meet the conditions here. We recommend for the protection of the stockholders and customers of the banks, members of this association, that they be adopted.

The members of your committee wish in this, our last report, to thank the officers and members for the many courtesies shown us. We also wish to thank the non-members who have so promptly and cheerfully responded to our inquiries. And we hope that those who have criticised us may eventually be convinced that we have endeavored to do what we considered for the best interests of the American Bankers' Association.

Respectfully submitted,

JOHN L. HAMILTON, CALDWELL HARDY,
F. H. FRIES, W. P. MANLEY,
A. C. ANDERSON,
Committee on Fidelity Insurance.

THE PRESIDENT: The report of the committee is before you, gentlemen, and the recommendation of the executive council in regard to the constitutional amendments will now come up for action.

MR. BARTLETT: I move that the report of the committee be received, and that the committee be discharged with the thanks of this convention.

The motion was seconded.

GEORGE L. RAMSEY, Cashier Union Bank and Trust Co., of Helena, Mont.: Mr. President, and Gentlemen of the Convention—I appreciate that it must seem that a man has a good deal of self-assurance to rise here and speak against a carefully-thought-out report, such as is the report of the committee we have just heard; but feeling that it is worth the while of the bankers of this country to consider a little before going into the insurance business, or anything that savors of it, I want to submit a suggestion that we should consider a little carefully before adopting the recommendation of the committee. The report is carefully written and thoroughly covers the ground, but several features contained therein, it seems to me, have not been brought to the attention of the members of this association properly.

I feel that bonding our own employes is something that savors of the insurance business, and is quite diametrically opposed to banking. Insurance is a hazard. Bankers are not supposed to take anything more than minimum hazards, and it occurs to me it would be better to leave this business to the surety companies that are organized throughout the country than to adopt it ourselves.

The purpose of this committee has been carried out, I believe, and has been completed in bringing to the attention of the bankers the value of a form which is adopted, and which is a good one, and which most all surety companies write. But there has been at work a more powerful influence than the committee in reducing the cost of fidelity insurance in this country, and that is the competition between the companies. At present it is so keen than the rates are down to a reasonable figure, and down to a point where the surety companies of this country are paying out in expenses and losses ninety-one per cent. of every dollar they take in for their fidelity insurance to banks. It leaves just a small margin for profit, and I do not believe that the bankers' association could do much better than that, except, perhaps, in the reduction of expenses. I understand the plan is to reduce expenses by not making entry in the different States of this country. Most of the States require an annual license fee before an insurance company can do business, and I understand it is not proposed by the Bankers' Association to make an entry, but to run the business from some central point like Chicago or New York. The danger of that is this, and the reason why State governments require insurance companies to pay license fees and take out charters, and so forth, is in order that they may have attorneys in the different States, upon whom service may be made; so that, if you get into a dispute with an insurance company, and they do not want to pay, you will not have to go to the home office, but you can bring suit against the company in your own State, and the insurance company must come to your State to fight the claim.

It seems to me that this is an important point, because, as human nature exists everywhere in the same old form, there are bound to be disputes between the executive committee of this fidelity department and the various individuals whom it insures.

Now, if you have a dispute, upon whom are you going to serve process? Against the American Bankers' Association? You would have to serve it individually on the various members, or you would have to go to the home office. If you have had the experience of instituting lawsuits at distant points, you know what that means; you know what it means to go to some distant city. As it is at present, every one of you with a claim against these bonding companies throughout the United States can serve the process against the particular attorney in the particular State, and the company has to bring its attorney. This is an important point, and one worthy of your consideration, it seems to me.

I feel that many points could be brought out in a brief way. Yet the time of this association is valuable, and I do not believe I have the right to take up any more of your attention. I think the committee has performed a valuable service to the banks.

The surety companies are in fierce competition for the business, and as long as they continue so we should be contented. If they form a combination, then will be the time for the American Bankers' Association to do something in retaliation; but it is not necessary at this time, and it seems to me, an inappropriate and unharmonious idea for the bankers of this country to take part in the insurance business, which involves such a hazard.

Mr. Bartlett: Mr. President, to avoid misapprehension I wish to say that I agree with every word that the gentleman who has just spoken has said. My motion was not that the report be adopted, but that it be received, and that the committee be discharged, with the thanks of the convention.

At the appropriate time, and I assume that this is not the appropriate time, there being no motion upon which we are now called to vote, I wish to have something to say along the lines of the remarks so ably made by the gentleman who has just spoken, in proposing any departure from the high and exalted plane occupied by this association, to the undignified scramble now going on between the surety companies to secure a little more of this bonding business. I apprehend that this is not the time to address remarks to the proposed amendment.

Mr. Hamilton: Mr. President——

(Cries of "Question," "Question.")

Mr. Hamilton: I should like to know if I have the right to speak——

The President: The motion to discharge the committee would seem to preclude any further discussion. The matter comes before the convention upon the recommendation of the executive council that the constitutional amendment offered should not be adopted. The resolution offered by the gentleman who has just spoken, to discharge the committee with our thanks, would obviate the necessity of any further consideration of this matter.

Mr. Hamilton: After a motion has been put and seconded, I believe the members of the convention have a right to discuss it.

The President: Yes, I should say so, upon the merits of the question, speaking as to whether the resolution to discharge the committee should prevail.

James R. Edmunds, Cashier National Bank of Commerce, Baltimore: Mr. President, I rise to a point of order. The committee has made a report, and it has been received by the convention. Therefore, it is superfluous to receive a report that has already been received.

The President: The question before the convention is the motion to discharge the committee with a vote of thanks, and the receiving of the report was simply an incident in connection with that.

William George, President Second National Bank, Aurora, Ill.: Mr. President, this convention desires an opportunity to discuss this proposition, and many members are laboring under a misapprehension as to when that time will be. The motion of the gentleman on the other side of the house seems to contemplate a laying aside of this proposition. Several of the gentlemen assembled here, I am confident, wish an opportunity to discuss this matter. The committee has gone to great labor, taken great pains to investigate the subject, and I personally believe that we are in favor, as an association, of the adoption of that report, and the carrying out of the suggestions of that committee.

I move that the motion of the gentleman on the other side of the house be laid upon the table.

The President: It is moved and seconded that the motion of the gentleman who spoke—will you give his name?

Mr. Bartlett: Bartlett.

The President: It is moved——

Mr. Bartlett: If I am not out of order, but if it will bring the matter up for consideration, I will withdraw my motion. It seems to me that the orderly procedure would be, first, the discharge of the committee, the duties of the committee having come to an end; and then to take up the recommendation of the executive council, to decide whether this amendment should or should not be adopted. My motion went no further than discharging the committee and thanking it for its labors. Now, I am willing to withdraw that motion if it has embarrassed the convention, provided my second will consent, in order that the whole question may come up before the convention for consideration.

THE PRESIDENT: There seems to be a desire to consider the question on its merits, and the matter was legitimately before the convention upon the report of the committee. If the gentleman who has just spoken will withdraw his motion, as he has suggested, and let the matter come up upon the report of the council, that will bring the matter, certainly, before the convention, and it can then be discussed on its merits.

MR. BARTLETT: It was foreign to my intention that the adoption of my motion should table this whole matter, and I therefore withdraw it.

A DELEGATE: What bank do you belong to?

MR. BARTLETT: I have a message from the surety companies. I represent the United States Fidelity and Guaranty Company.

C. P. MILES: This is a bankers' convention, not a surety company convention.

MR. BARTLETT: Have you more than one kind of membership in this convention? do you admit surety companies to your convention, and deny them voice and vote here?

THE PRESIDENT: If your company is a member of the association, you are entitled to speak. The matter is before the convention, whether we shall adopt the constitutional amendment.

WILLIAM GEORGE: Mr. President, I move that the report of this committee be adopted.

MR. DISMUKES: Mr. President, I move that the amendment as proposed be adopted by the convention.

THE PRESIDENT: The question before the convention is upon the adoption of the resolution that the constitutional amendment offered by the committee be not adopted.

MR. EDMUNDS: May we have it read?

The amendment was read by the secretary as follows:

(It is printed above.)

MR. EDMUNDS: I understand that the motion is that that be not adopted?

THE PRESIDENT: That is correct.

MR. EDMUNDS: Would not the proper motion be to adopt the recommendation of the executive council?

THE PRESIDENT: The motion is before the house to not adopt the constitutional amendment. If you wish to offer a substitute to that you can do so.

MR. EDMUNDS: Do we vote on the recommendation, or not?

THE PRESIDENT: We vote directly on the question of whether we adopt the constitutional amendment or not, unless there be a different motion substituted by order of the convention.

MR. EDMUNDS: It does not seem to be straight to me on parliamentary grounds.

THE PRESIDENT: You can make an amendment, if you desire.

MR. EDMUNDS: They make a recommendation, and we should vote on that, it seems to me.

F. G. BIGELOW, President First National Bank, Milwaukee, Wis.: Mr. President, I do not think it makes the least difference. The council has looked into this, and in its view, the amendment should not be adopted; but a motion to adopt the amendment brings the question as squarely before the convention, and is a perfectly proper motion, I think. I think we ought not to spend time on the edge of this question, but get right at the question itself.

If it be proper, Mr. President, I wish to say a word, having been a member of the council, and having considered it with the other members last night, I wish to say that I do not know of any committee that has done its work more thoroughly than this committee has done its work. Every man on that committee is thoroughly in favor of the plan, conscientiously, honestly in favor of it. Of that there can be no doubt, in my mind. They are all of opinion that it will be a great help to have it adopted in the form they have suggested. I disagree with them on that just as earnestly. I only ask now, and it seems to me appropriate, that this association, individually, and as a whole, you men, one at a time, and the whole body, shall give some little time and some little thought to the consideration of a question that is as important as this. I think it would be inappropriate and paradoxical for you, applauding on the one hand the work that has been done by this committee, to instantly accept its adoption without looking into it yourselves.

Then, again, this association is not a corporation; it cannot sue or be sued. You make no financial responsibility here. You do not go so far—although in effect you almost do—as to seek to make a corporation of the American Bankers' Association, and then deliberately take up the bonding business. But the association, throwing the name of the association around it, gives it a moral support and makes it almost appear that the association were doing it. You appoint trustees, you are compelled to audit their accounts, and in all real senses you father the plan, while not doing it in law. I confess that I do not like that. I do not think it is a good precedent for the association. I am not now speaking to the merits of doing this bonding business, but I am speaking of the method of doing it within yourselves, giving it a quasi, but not a real, endorsement.

The motion now is that this shall become the law of the association, that the amendment shall carry. I think that a motion to refer it to the new council, and then let it be thoroughly considered by the bankers of the country—and I do not deem that it has been thoroughly considered by the bankers of the country—would be a wiser step for us to take. This able report that advocates this in the strongest terms has been sent to the bankers throughout the country, and they have read it, and they have had confidence in the men on the committee who have considered it, and they have simply replied in the affirmtive; but, as a matter of fact, the bankers that have said they wanted to go into this have not really looked into it themselves.

I move to amend, if it is in order, by referring this question to the executive council, with the request that they correspond with the members of the association.

The motion was seconded.

J. J. SULLIVAN, President Central National Bank, Cleveland, Ohio: Mr. President, as a member of the council I am heartily in favor of the motion just made. This same subject was submitted a year ago, and was not recommended for adoption. The committee was then continued and instructed to go on with their investigations. The committee has certainly rendered a very valuable work in the investigation of this question, as evidenced by its report here to-day, and I do think the committee is entitled to great credit for the information which it has brought before us, covering this very important question. I am clearly of the opinion, however, that we should not adopt this report to-day.

The executive council, at its meeting last evening, decided against it. It has given the subject great consideration, and your executive council was not prepared last evening to recommend this for your adoption. I believe that you should give some consideration to the conclusions of your executive council. The subject was discussed in its entirety before the council, and the judgment of that council is against its adoption at this time. Hence, I think the motion of Mr. Bigelow is an eminently proper motion to make—that the entire subject be referred back to the incoming council for its further consideration and report. The move proposed is at variance with the general principles of our organization. However, if we can in our deliberations work out some scheme that will be advantageous to us without varying from the principles of the organization, which will result in great saving to the members of the association, I am in favor of it; but at this time I am opposed to the adoption of the report of the committee and I am very strongly in favor of referring the subject back to the incoming council.

C. Q. CHANDLER, of Kansas: Mr. President, that we should take time to amply discuss this matter, none of us doubt, but that this matter should be referred back to the executive council to be carried over another year, I object. We have had a committee of five eminent gentlemen who have presented a report here that is so plain that it is the A B C of this matter, and there is no reason why this convention right here in San Francisco, before we leave, should not pass upon this subject.

We are not launching out into any new field. Mutual insurance is an old, old thing. The lumbermen of this country are saving themselves hundreds of thousands of dollars every year. The hardware men are doing the same thing. The millers are doing the same thing. And now, I cannot see any reason why we as bankers should not save this money for our own profits. The report of this committee shows that premiums of $388.000 are paid into the fidelity companies, which the gentleman from Baltimore represents. In turn, those noble companies have given us back $45,000. The net profits to the Baltimore and other surety companies are $343,000, net out of our pockets.

I believe we should give this matter careful consideration. If we have not time to discuss it, let us set a date, right here, before we leave, at which it will be taken up intelligently, and at which time no motion can be railroaded through by surety company representatives.

(A delegate arose.)

MR. CHANDLER (continuing): I have the floor, partner. The gentleman who first spoke from the stage—I would like to ask what bank he represents.

MR. RAMSEY: I represent the Union Bank and Trust Company, of Helena, Montana.

MR. CHANDLER: He lays stress on the fact that we would not be able to get the proper service if we should have a loss. I anticipate that the five gentlemen to be appointed by the executive council will take care of that, and that they will see that we are protected. This insurance, then, will be a voluntary matter; if you are not satisfied with it, you need not take it. Those that want to contribute to the Baltimore companies may do so, but fix it so that we who want to can have the benefit of this mutual insurance.

R. L. CRAMPTON, Assistant Cashier of the National Bank of the Republic, Chicago: Mr. President, I think it is right to inform the members of this body that the Helena Trust Company is agent for one of the Baltimore trust companies.

MR. HUSTON, of Wood & Huston Bank, Marshall, Mo.: Mr. President, the gentleman who has criticised the work of this committee, at the same time, in the same breath, almost, has said the work of the committee has been most faithful and most efficient, more so than the work of any other committee, in behalf of the association. I think I can say that the chief criticism that I have heard directed against the work of the American Bankers' Association has been that it has failed to accomplish results, that their meetings have simply been meetings of good fellows, who went around the country junketing to have a good time, and did not do anything.

Now, Mr. President, there is no question but what the work of this committee, if adopted in this form, will prove of benefit to the members of this association. On the other hand, if the committee be discharged, simply with our thanks, then everything is undone, and more than undone; because these Baltimore companies, and New York companies, and other fidelity companies, know that this having been voted down once will never be taken up again.

I want to make this suggestion: that if this is adopted we thereby make it possible, not that it is necessary, but that it is possible, for the executive council, at any time hereafter, to put in force the machinery that we will create by the adoption of this resolution. Without that machinery, how on earth can the bankers of the country take this subject up if it is necessary to take it up? These gentlemen tell you the bankers have not had opportunity to examine it. There is no plan to examine until some such machinery is adopted by the association. It is not necessary, even with the adoption of this amendment, for the executive council themselves to take this up, but it is possible, and it will always be possible, then, for them to take the matter up; and as long as the surety companies know that there is a provision in the constitution of the American Bankers' Association to this effect, you may be sure of equitable rates, and you may be sure that you will be heard. But if you cut that possibility out, you will find you will have the same grievances that you had years ago. The difference is the difference between isolation and co-operation. If a bank needs anything, it needs co-operation, and the defeat of this measure to-day, if it indicated anything, would indicate that we do not believe in co-operation—that it is true we meet simply to have a good time, and that we stand apart. I think it is due to this committee and this association that we should at least adopt this amendment, whether we are in favor of it or not.

THOMAS H. WILSON, Vice-President First National Bank, Cleveland, Ohio.: Mr. President, it does not follow that because we have an excellent committee who have given us excellent results thus far, that the committee is infallible in their recommendations submitted here.

Now, it seems to me that $45,000 as the figures of the defalcations are not truly indicative of the fact about that. It is no disrespect to this able committee to uphold the still larger committee, the executive council, who are equally level-headed.

FRED HEINZ, President Farmers and Mechanics' Savings Bank, Davenport, Iowa: Mr. President, I would like to know by what vote this passed the executive council, whether unanimously or otherwise, and whether there were any members of insurance companies on that council.

THE PRESIDENT: I would state that the vote was twelve in favor of the report as presented, and eight against it.

MR. YOUMANS: I move that the convention take a recess until half-past two.

The motion was duly seconded, the question put, and the motion lost.

THE PRESIDENT: The motion to adjourn is lost, and the motion before the house is Mr. Bigelow's motion.

A division was called for.

THE PRESIDENT: Those who are in favor of Mr. Bigelow's motion will rise to be counted, after which those who are opposed will rise. The motion is to refer the matter back to the council.

The question was taken and there were: Yeas, 120; nays, 138.

A DELEGATE: I call for tellers. (The motion was seconded, the question put, and the motion lost.)

J. B. FINLEY, President Fifth National Bank, Pittsburg: Mr. President, may I speak on the original motion?

THE PRESIDENT: The question has now been ordered. I should say it was not in order to speak on this question. We have voted down Mr. Bigelow's resolution to refer it back to the council. The question now recurs upon the original motion.

MR. FINLEY: Mr. President, I certainly think we have a right to discuss the original motion now, not having had an opportunity to do so before. We have been discussing the substitute, and now the original motion is certainly debatable.

(Cries of "Question," "Question.")

THE PRESIDENT: The gentleman may proceed, but he will please make his remarks as brief as possible.

MR. FINLEY: Mr. President, I will say but a few words on this question. I understand, from the statement made by the chairman of the executive council, that last night when this question was considered twelve were opposed to it, and eight members were in favor of it. If that be true, gentlemen, these twelve gentlemen are certainly entitled to your consideration as to their judgment, as well as the eight. Those eight gentlemen were members of the committee, and so were the twelve. I do not know how many members there were in the council. We all have the greatest confidnce in the members of the committee. They are men whom I have known for years; but we must have equal confidence in the other members of the executive council, those who are opposed to this. They have considered this carfully in that small body, and more carefully than we have done it this morning. Now, I do not care particularly which way this goes, but I do think this: that you want to carefully consider the question, that the American Bankers' Association should carefully consider whether it wants to go into the insurance business. If they want to go into the fidelity insurance business, why not go into fire insurance for the banks; and if they should go into fire insurance, why not go into life insurance for the banks?

(Cries of "Question," "Question.")

I, for one, am opposed to this, although, as I said before, I am not very particular about it one way or the other. I hope that, as you have put it in the position you now have, you will vote this down.

THE PRESIDENT: The question is on the original motion.

MR. CHANDLER: I only have one word to say, Mr. President. We have the greatest respect for the executive council, we have the greatest respect for their opinions; but while that is true, those who are here in this convention are also thinkers and use their own gray matter.

H. R. LYON, President First National Bank, Mandan, North Dakota: Mr. President, I will speak for just a minute. Here is a discussion on recommendation of the board of directors. It seems to me that many of you are young fellows, and are just jumping right into this without very much consideration. I want to reply to our friend from Kansas City in regard to these mutual companies. I am a miller. The Millers' Mutual Company has nothing to do with our organization of millers. They are a corporation, they are separate and distinct in every way.

I am also a lumberman, and the lumbermen's organization is separate and distinct from such companies.

Now, I think we should go slow on this. There is no reason why we should decide this now before lunch. Let us wait until after dinner. I believe we will not act on this matter as a lot of boys. We are all supposed to be careful, conservative men. I would hate to have a lot of discounts passed on in this way. I simply ask that we appoint some time this afternoon to discuss this. I am willing the matter be passed, but do not let us precipitate action immediately on this thing just because we have a clever committee that has done a magnificent work in preparing statistics for us. We must remember that we also have an executive council who are able men, and we ought to take note of the fact that a majority of them are not in favor if this at this time. So I say, let us give a little more time to it.

Wm. Felsinger, President New York Savings Bank, New York: Mr. President, I do not desire to discuss this question, but simply call attention to the fact that if we are to vote on it, according to the constitution, it will require a two-thirds vote to adopt this amendment to the constitution.

John G. Fletcher, President German National Bank, Little Rock, Arkansas: Mr. President, I suggest that we vote by States. We know that self-interest sometimes prompts men to do things. I would like to have the States called and a vote taken according to their representation in this body. I make that motion, if it is in order.

A Delegate: That is not in order.

Mr. Fletcher: Well, I will withdraw that. I am like my friend from Pittsburg; it matters little with us whether it passes or not. We feel that we can organize ourselves under the suggestion by the committee, without recommendation by this body.

I say, furthermore, that the idea of only paying out $45,000 in losses and receiving so much, cuts no figure in this question. I have paid insurance on a house for four years, and it has never burned down yet, thank God. I have been paying, as President of the German National Bank of Little Rock, indemnity to these companies for years, and none of the boys have ever stolen a cent. That is no reason why we should condemn this insurance policy business. I am decidedly in favor of insuring our employes in a good company to keep them from going to their friends and having them involved in personal liabilities. That is my idea. I think we might as well go along in the good old way.

I have been attending these national bankers' association meetings for a number of years. I am delighted to meet with my brother bankers from all sections of the country, and I believe, in the main, they will do the right thing. I am opposed to suggesting legislation of that sort in this body. I thank you.

(Cries of "Question," "Question.")

Mr. Hamilton: Mr. President and Gentlemen of the Convention—There is nothing that pleases this committee more than the discussion of this question as it is being discussed by the members of this association. It is one of the most important features that was ever presented to you as a body to consider, and you should consider it carefully. The committee has advocated radical views and radical methods for this association to adopt. We are convinced that we are right. We have considered every question that the gentlemen raised here from every standpoint conceivable, from every point of attack that we could find would be considered, and after careful consideration for eight years we have come to the conclusion that this is the only practical way to do this business.

When that committee was appointed in 1898, the bankers of this country were paying for their bonds from $1.40 to $10 a thousand, and the gentleman who paid the ten-dollar rate informed this committee that he enjoyed a special rate from the insurance company, and if we betrayed his confidence he would hold us individually responsible. We informed him that it was no betrayal of confidence on our part to inform him that the same company were rating the same risk for other parties at $2.50 per thousand.

At the time this committee was appointed, seventy per cent. of the losses were being contested by the fidelity insurance companies. Since the work of this committee has been followed up and studied, and considered by the membership of the association, there are, to-day, but forty per cent. of the losses being contested. At the time this committee was appointed there was not a single bond written by a single fidelity company in the United States that could be collected under any court of law in any State.

The conditions of those bonds have not materially been improved, but it is now policy for the companies to pay. The gentleman here alluded to the fact that the average loss is only $45,000. He did not understand our position in this matter. The average losses paid are only $45,000. The losses only amount to in the neighborhood of $100,000—the bonded loss—to the membership of this association. But actually, the loss paid for the past ten years has not exceeded $45,000. The proposition of creating a board of trustees to handle this bond is the only practical way that this can be done. This board of trustees would be the custodian of the bonds; they can sue and be sued, they have the same standing in any court of record that any corporation would have, only in a different form of action.

The gentleman spoke here of the possibility of bringing suit against the trustees. That has been provided for in the rules and regulations which are to be adopted by this executive council, if you, in your wisdom, see fit to adopt the amendment to the constitution. I thank you, gentlemen.

THE PRESIDENT: Those in favor of the adoption of the constitutional amendment will please rise, after which those opposed will rise.

The question was taken and the President announced that on this question there were, in favor of the amendment, yeas, 133; nays, 98.

THE PRESIDENT: There not being two-thirds in favor of this motion, it is lost.

J. M. ELLIOTT, President First National Bank, Los Angeles: Mr. President and Gentlemen—Los Angeles is second in prosperity and progress of the cities of the coast, and as regards hospitality it is second to no city in the United States. Some gentlemen who came on the New York excursion with some others have already registered with us as signifying their intention of being our guests on next Monday and Tuesday. We wish every gentleman in this house who wishes to visit us on those days, or either of them, to be good enough to register his name, so that we will know how many guests we will have to provide for, and we will try to provide with a whole heart that comes from the south.

THE PRESIDENT: Gentlemen, I wish to call attention to the constitutional provision, which will be found in the programme. It is as follows:

The secretary read Section 2 of Article III. of the constitution, relating to the appointment of a nominating committee.

The next report is the report of the committee on uniform laws, by Mr. Frank W. Tracy.

In the absence of Mr. Tracy, the report was submitted by his son as follows:

REPORT OF THE COMMITTEE ON UNIFORM LAWS.—BY FRANK W. TRACY, CHAIRMAN.

We have the pleasure to report that we have added to the list two States during the past year—the States of Idaho and Montana. We find it extremely difficult to reconcile the views of the various members of the Legislature in the various States. There is hardly a member of the Legislature but what has his peculiar ideas which he thinks ought to become part of the law, which, if we admitted, we would have no uniform law. As an example, in the State of Nebraska we got the bill nearly through when some members thought it ought to be amended, and it was so thoroughly amended that we had to abandon the support of it. What we want is uniformity in all the States. We also hear the statement quite frequently made that this law is offered because of the fact that it comes from the bankers. During the past year we have proven this statement to be unfounded. In the State of Illinois, in order to test the matter, an agreement was made between your committee and the Illinois Bar Association by which the Illinois Bar Association was to have entire control of the bill, while our committee was to say nothing. I am sorry to say the result was that no bill was passed. But we are not discouraged. We have only to refer to a recent report of the Hon. Lyman D. Brewster, Chairman of the Commission on Uniform State Laws of the American Bar Association, who has lent his time and talents to the furtherance of these measures. He says:

"Ten years ago we presented and recommended for general adoption a uniform law on weights and measures. About the utility of this act it would seem impossible to raise a question. Surely the bushel ought to be uniform throughout the country. Well, it has passed four States in ten years. Our proposed acts on wills and deeds shared about the same fate. Three years ago the Conference ventured into the troublous region of divorce, and not a single State, so far as I know, has passed our modest proposed law on divorce procedure intended to restrain tramp divorces and to give the defendant an opportunity to be heard in court. On the other hand, as already stated, the Negotiable Instruments Act, in the form of a short code, has been successfully adopted, although thirty-six pages in length. As to its permanency, one can only say that in six years only one or two trivial changes have been made, occasioned by the effect of revenue stamps on sight drafts and the like."

It seems that the law for the adoption of a uniform law for weights and measures, which ought to have no opposition whatever, has only passed in four States, in ten years, whilst we have succeeded in passing our Negotiable Instruments Law in twenty-three States in seven years.

The evolution of the law from a digest into its present practical form is interesting, and I again quote Judge Brewster:

"A studious English lawyer—Mr. M. D. Chalmers, now Parliamentary Counsel to the Treasury, a born draftsman and so far removed from a radical "Benthamite" as it is possible for an Oxford man to be—read over carefully all the reported English cases on the law of bills and notes and put their substance in an admirable digest. This digest proved at once so serviceable that the merchants and bankers of Great Britain insisted that it should be drafted in the form of a code and have the authority of legislative sanction. After its redrafting in the form of a code and a great deal of committee work on it, both in and out of Parliament, by merchants, bankers and lawyers, it was passed in 1882 by both houses as the Bills of Exchange Act. It proved to be a success every way both for laymen and lawyers, and was soon adopted in the British colonies.

"Equally simple and natural was its introduction into the United States. In 1895 a small body of American lawyers appointed by several States—New York State having initiated the movement—for the purpose of promoting uniform State laws on certain subjects wherein existing laws were variant, uncertain and often conflicting, recognized in the English Bills of Exchange Act a convenient and excellent basis for an American law on the same subject, and this partial codification seemed to them, after much study thereon, almost the only practicable method of obtaining the uniformity they were deputed to secure. The result was Mr. Crawford's Negotiable Instruments Law. Mr. Crawford proved so ready and able a draftsman that his predecessor, Mr. Chalmers, said in his address before the

American Bar Association last summer: 'If I could do the work over again I could produce a better act, and I am glad to see that you, in your Negotiable Instruments Act, which has now been adopted by so many States, have in many respects improved on the English measure.' "

The following is a list of the States now operating under the law:

Connecticut—April 5, 1897.

Colorado—July 15, 1897. (Notes falling due Saturday are payable the same day, except those falling due in Denver on any Saturday during June, July and August, when they are payable the following Monday.)

Florida—August 3, 1897.

New York—October 1, 1897.

Massachusetts—January 1, 1899. (Three days' grace allowed sight drafts.)

Maryland—June 1, 1898.

Virginia—July 1, 1898.

North Carolina—March 8, 1898. (Three days' grace on notes, acceptances and sight drafts.)

District of Columbia—April 3, 1899.

Wisconsin—May 15, 1899.

Tennessee—May 12, 1899.

Oregon—May 19, 1899.

Washington—June 7, 1899.

Utah—July 1, 1899.

Rhode Island—July 1, 1899. (Three days' grace on sight drafts.)

North Dakota—July 1, 1899.

Arizona—September 1, 1901. (Except by clerical error, chapter on Promissory Notes and Checks omitted.)

Iowa—July 1, 1902. (Amended to give three days' grace, on each of which demand may be made.)

New Jersey—July 4, 1902.

Ohio—June 1, 1903.

Pennsylvania—July 1, 1901.

Montana—March 7, 1903.

Idaho—May 1, 1903.

It is hoped that an earnest effort may be made by each of the bankers of the States noted below, the Legislatures of which meet next winter, to bring to the attention of the legislator of his district the great value of having his act among the laws of the State: Louisiana, Maryland, Mississippi, Vermont.

FRANK W. TRACY, Chairman;
J. B. BROWN,
HOMER A. MILLER,
Committee.

THE PRESIDENT: The next business is the report of the Committee on Bureau of Education.

The chairman, Robert J. Lowry, submitted the following report:

REPORT OF THE COMMITTEE ON EDUCATION.

SAN FRANCISCO, OCT. 20, 1903.

Gentlemen of the American Bankers' Association:

The work of your committee on education during the past year has been devoted largely to the American Institute of Bank Clerks. The constructive period in the history of this institute has been succeeded by the period of crystallization, and the institute, is in the opinion of your committee, no longer an experiment.

It gives me pleasure to hand you herewith the report of Mr. J. B. Finley, president of the American Institute of Bank Clerks. There has been no radical departure from the original plan of operation, for this has not been deemed expedient in view of experience for the past years of the institute. Still, the natural law of development has not been ignored, and wherever an improvement on our original plan has suggested itself it has been adopted, when the success of the institute or its efficiency demanded it.

During the past year the institute has suffered a serious loss in the death of its able and enthusiastic secretary, Mr. A. O. Kittredge. He had the institute greatly at heart, and had shaped to a great extent the work, which has progressed so successfully. Since his death, however, others have taken up the work, and your committee feel that it is in good hands. The active management of the affairs of the institute is now in the hands of the Account, Audit and Assurance Company, and the trustees of the institute have considered it advisable to continue for the present the arrangement heretofore existing for the conduct of the correspondence school of banking and the publication of the "Bulletin."

As you are no doubt aware, the "Bulletin" of the institute is conducted on strictly educational lines, and is intended to be the literary clearing-house of institute work. It is neither a vehicle of banking news nor a magazine of learned financial essays. In its columns the best efforts of individual chapter members and students are published for the benefit of all, and the fact that the "Bulletin" has some 6,000 subscribers is conclusive evidence of its utility as an instrument of education.

Those who have the work in hand are enthusiastic business men, and I feel that the American Bankers' Association cannot do better than to continue this work so auspiciously begun. It is certainly doing a great deal of good in helping those who wish to become efficient bank workers, and to perfect themselves in the science of modern banking. Besides it enables banks and bankers to always have a supply of efficient and capable material from which to select the working force of the banking institutions of the country.

It is hardly worth while to consume your time in elaborating upon the work or the feasibility of the plan. As I stated, its experimental period has passed, and it now becomes the duty of this association to maintain this institute. We want to continue our work along this line, as the results obtained to this time fully warrant us in expecting greater results in the future.

The balance left over from the last appropriation is about $3,000, same as last year, and your committee respectfully asks the appropriation of $10,000, or so much as will be necessary to continue the institute and increase the scope of its usefulness in the educational branch of our association work. ROBERT J. LOWRY, *Chairman.*

AMERICAN INSTITUTE OF BANK CLERKS—REPORT OF THE PRESIDENT.

To the Committee on Education, American Bankers' Association:

The year since the date of the last report to the American Bankers' Association convention in New Orleans has been eventful. It is practically the third year in the history of the American Institute of Bank Clerks, although only two and one-half years of active work participated in by the bank clerks of the country have passed.

The growth of the institute has been rapid, and the soundness of the original scheme has been conclusively demonstrated by the fact that natural evolution has occasioned only adaptations.

As stated in previous reports, the work of the institute is carried on along three distinct but interdependent lines, the chapters, the students of the correspondence school of banking, and the "Bulletin."

The work of the chapter members was in a sense focussed in the chapter convention held at Cleveland, O., Sept. 18 and 19. This was the first meeting of a national character of chapter members, twenty-three out of thirty chapters, numbering some 3,000 members, were represented by 112 delegates, besides which a number of bank clerks, bankers and others attended unofficially.

Papers of unusual excellence by bank clerks were presented, read and discussed with a marked degree of interest, and a showing of intimate and accurate knowledge of the subjects treated developed in the discussion. A spirited debate on a subject of prime importance to banking men was held between representatives of Detroit, Washington and Philadelphia chapters on the one side, and Buffalo, Minneapolis and Providence on the other. The arguments *pro* and *con* were well expressed.

Prominent bankers attended the banquet of the convention and addressed the delegates:

O. H. Stafford, Secretary and Treasurer of the Broadway Savings and Loan Co. and the Woodland Ave. Savings and Loan Co., of Cleveland, O.; M. H. Wilson, Secretary and Treasurer of the Western Reserve Trust Co., Cleveland, O.; C. B. Mills, Cashier of the People's Trust and Savings Bank, Clinton, Iowa.

The proceedings of the convention have been published in full in the October 15 "Bulletin," and it is unnecessary to further repeat them here. The convention was orderly and businesslike in every respect, and compares favorably with conventions of older and more experienced bodies.

The work of the individual chapters during the year has been attended with abundant evidence of benefits to members, largely increased interest on the part of bankers and the general business public, and enthusiasm in the movement is everywhere displayed. Papers of exceptional quality have been prepared and read by members before their respective chapters, published in the "Bulletin," and have attracted wide and favorable attention.

Debates between various chapters have been productive of good results, and have disclosed a number of ready and fluent speakers among the chapter members.

Men of national reputation have gone to considerable trouble to address the various chapters. Bank officers and bankers of prominence throughout the country display an ever-increasing interest and appreciation. State bankers' conventions have included in their proceedings commendatory mention of the institute. At the convention of the North Carolina Bankers' Association, Mr. Caldwell Hardy, president of the American Bankers' Association, said:

"It should be remembered in discussing the advantages of the institute and the expediency of sustaining the work so auspiciously begun, that young men are being trained along the lines of membership in the American Bankers' Association. Up to date, the American Institute of Bank Clerks has been distinctively known as a creature of the American Bankers' Association, and whatever bank clerks have derived from it they have understood to come direct from this fountain source.

It is worth much to the American Bankers' Association as an organization that young men are being thus trained to think of it as their alma mater, and that from which they derive substantial benefits. Every bank elerk who is taking a course in the correspondence school of Banking, or one who is a member of a local chapter, or who is a reader of the "Bulletin," is thus being trained for the high responsibilities of membership and representation in the American Bankers' Association."

Mr. O. J. Sands, president of the Virginia State Bankers' Association, at the recent convention at Richmond, said:

"The American Bankers' Association has taken great interest in the American Institute of Bank Clerks. I commend this work to all our banks and their employees. This institution gives every ambitious clerk opportunities that heretofore could not be procured, and which are of inestimable value to him, and through him to his employer. It provides a correspondence school of instruction so that every clerk, whether a member of a chapter or not, can receive instruction, and it publishes a semi-monthly paper called 'The Bulletin of the American Institute of Bank Clerks.' which should be in the hands of every bank clerk in Virginia; indeed, many officers find much of interest and instruction in its columns."

Col. Robert J. Lowry, President of the Lowry National Bank of Atlanta, Ga., at the recent convention of the Georgia State Bankers' Association, said:

"Many of you are doubtless aware of the fact that the American Bankers' Association is maintaining an institute for the education of bank clerks. It is so managed that any bank clerk can get information that will be very valuable to him, and of course very valuable to every bank in the State of Georgia.

There is issued twice a month a paper known as the 'Bulletin,' which is full of suggestions and lessons upon banking from the elementary branches of banking on up through the higher and more complicated problems that arise from time to time in our profession. The subscription list of the 'Bulletin,' which embraces subscribers all over the country, is about 6,000.

It was my pleasure to attend a meeting of the New York Chapter of the American Institute of Bank Clerks a few months ago in the city of New York, which chapter is composed of about 400 men. I thought I would find bank clerks there of ages ranging from 15 to 30 years and upwards, but I found some of them there as old as I am, and that's getting along up the ladder pretty well. They seemed to be learning, and that chapter of the institute was doing a great deal of good. The bankers were there, too, and they took great interest in it, and one of the bankers told me that the best clerks he ever had he got through that institute. He had found that they were up to date. Said he: 'Take a young man that has been through this elementary education, that has been given to him either by mail or through these chapters, and he will step right into the place of one that it would take two years to train up before.'

Now, I am sorry to say that we have not a chapter in Georgia. I am very greatly interested in this work, and I would like very much to see chapters in the larger places—I say this because I presume the smaller places could not well afford it. Now, I earnestly hope that this association will do something to help this cause along. I have been pretty prominently connected with the movement for some time past, and I would like to have something to show from Georgia, and to show that I have done some work at home. I hope that commencing now the Georgia Bankers' Association will encourage their clerks to meet together, and talk about financial ideas and propositions, for I am sure it will help them, and help the banks of the State as well.

Now, if you will help me a little along the line of my proposition of getting up some chapters of the American Institute of Bank Clerks, I will appreciate your co-operation and support in this direction. I especially appeal to Augusta, Macon, Columbus, Savannah and Atlanta—yes, right here at home."

And these are but a few of the many expressions of interest from bankers.

Chapter libraries are being formed, embracing standard works, on financial and economic subjects, and are largely employed by the members in their work. That of the St. Louis chapter now includes some 200 books of from one to twelve volumes each.

Promotions indicative of the real worth of the institute work have rewarded many members. Of all the promotions of bank clerks in Chicago during the year, eighty-six per cent. were of chapter members, although only one-fifth of the bank clerks of Chicago are enrolled in that chapter. The president of the Buffalo chapter has been promoted to an Assistant Cashiership; president of Minneapolis chapter to like position, and San Francisco chapter has been similarly honored. St. Paul chapter was for a time without officers, every one having been promoted to Assistant Cashiers. And there have been many promotions of institute members outside of chapters.

The correspondence school of banking, in its important function, cannot be overestimated. It brings the advantages of the institute to the greatest possible number of bank clerks. Especially helpful to bank clerks deprived by geographical situation of the chance of chapter membership, it is also greatly appreciated among chapter members. But ten per cent. of the enrolled students are chapter members, which seems to indicate that this branch of the work is most appreciated by clerks of banks located in the smaller towns, *i. e.*, country banks.

Chapters as a whole are being interested in the work along the line of the theses plan. Papers on subjects assigned to the various chapters, after discussion and revision in the author chapters, are sent for discussion to other chapters and the final product published in the "Bulletin," whereby it is presented to the students who are not chapter members and to every other chapter. Similarly the best papers prepared by the individual student are presented through the "Bulletin" to the chapter students.

The studies of the correspondence school are divided into thirteen elective courses on the following subjects:

Practical Banking,	Double Entry Bookkeeping,	Financial History,
Bank Arithmetic,	Business Correspondence,	Penmanship,
Commercial Law,	Practical Finance.	Commercial Geography,
Commercial Rhetoric,	English Grammar,	Shorthand,
	Civil Government.	

There are at present enrolled in these various courses some 800 students. When it is considered that one of the largest and most aggressive correspondence schools in the country took years to reach 600 students, the success assured to the correspondence school of banking cannot be questioned.

In the studies in practical banking, commercial law, double-entry bookkeeping, bank arithmetic, shorthand, business correspondence, commercial rhetoric, English grammar and penmanship, the examinations are by questions and answers.

Each of these courses is divided into sections. When a student enrolls in any of these subjects his fitness for pursuing the course of study selected is first determined. He is required to furnish information concerning his education, training and experience, and also to specify the special object he has in view in taking up the desired study. If this examination reveals the need of work more elementary in character as a foundation, the student will be officially advised of the fact and such suggestions offered as may be warranted. When the course of study is approved, a textbook is sent to the student, together with letters of instruction, and examination questions relating to the first two sections. The letters of instruction are personal letters, adapted as closely as possible to the student's individual needs, telling him how to proceed with his study and what features to lay special stress upon. In accordance with these directions he begins the study of the first section of the course. When he has mastered the first section he lays it aside and answers the examination questions relating to its contents. The answered questions are mailed to the institute. There they are carefully examined and corrected and marked according to merit. They are then returned to the student, accompanied by a letter of suggestions and criticisms. If the answers of the student show that he has failed to get an intelligent understanding of the subject, that fact is brought to his attention, and he is directed to go over the ground again and to submit to the institute satisfactory evidence of improvement. When he has complied with these requirements, his papers on the first section are returned to him, and he receives the third section of the course with a letter of instruction and the examination questions covering the text.

Thus, the student has in his possession always a section of study waiting for his attention to which he can devote himself promptly, while his work on the section immediately preceding is passing through the mail to the institute and is there being examined. By this method he can carry on his studies as rapidly as the time at his disposal will permit. When he meets with difficulties that he cannot overcome by earnest, unaided effort, the institute will give him such help and guidance as may be advisable. He has only to write out and mail a clear statement of the facts he cannot understand, and the necessary information and instruction will be promptly supplied.

The studies in commercial geography, financial history, practical finances and civil government, the preparation of short papers or theses, take the place of examination by questions and answers. The nature of these subjects makes it almost impossible to test a student's knowledge of them by a series of categorical questions and answers. The training the student receives in putting his thoughts on paper, expressed in simple, clear language and arranged in logical sequence, is of greater value to him as an educational discipline than answering disconnected questions about undigested information. After the student has enrolled and has passed the preliminary test of his fitness for taking up the study selected, a textbook is sent him, together with letters of instruction and advice regarding the way he should carry on his work. These are personal letters, based on facts furnished by the student, and their purpose is to meet as fully as possible his individual needs. Each course is divided into sections. When a student begins his work letters of instruction covering the first two sections of the course are sent him, together with a list of subjects relating to the text of these sections. When he has mastered the first section he lays it aside and selects from the subjects on that section one upon which he writes a short paper. This he mails to the institute and then begins work on the second section. His paper is corrected and criticised, given a percentage mark and returned to him, along with a letter and subjects regarding the third section. This method is continued to the end of the course.

The tuition fee for each course is $15. This fee includes one year's subscription to the "Bulletin" and also textbook and all instruction and examination papers, which become the property of the student.

Group courses have been arranged by combining the essential features of the elective courses on those subjects most closely related. Students are thus afforded comprehensive training for specific lines of work without the necessity of absorbing the separate course on each topic. The fees for the group courses are materially less than the cost of the same instruction in the separate courses. Special groupings to meet the peculiar needs of the individual student are also arranged at similarly reduced cost.

The "Bulletin" may be described as the warp of the institute fabric. It is so closely related to the other divisions of the institute work, in addition to its distinctive character, that anything said about the "Bulletin" reflects at once the whole institute.

Purely educational, it is of wide influence, already reaching some 6,000 subscribers. Every State and Territory in the Union and many foreign countries are represented on its mailing list.

Evidence of the esteem in which it is held is found in the many appreciative letters received from subscribers. It is the mental clearing-house of institute members, facilitating exchange of ideas. It is the exponent of the institute to the general banking public. It is esteemed by the bankers of the country as a valuable compendium of banking information.

As generally indicating the success of the institute as a whole, there appear in the following pages of this report typical letters received from subscribers and students, and a list of prominent men who have interested themselves in forwarding the movement.

At once illustrative of what the institute has accomplished, for an individual, student, subscriber and chapter member, and a comprehensive description of the institute as it appeals to the bank clerk, there is presented also the prize essay on the institute written by Mr. W. F. Mackay, of the Cleveland Trust Co., Cleveland, O. Twenty papers, each one worthy of note, were prepared for this competition, all examples of what the institute has done and an indication of the good it can do.

J. B. Finley, *President.*

The President: The next business on the programme is the address by Mr. L. P. Hillyer, Cashier of the American National Bank, of Macon, Ga.

Money Orders of Bankers' Associations.—Address of L. P. Hillyer, Cashier American National Bank, Macon, Ga.

Mr. President, Gentlemen of the American Bankers' Association, Ladies and Gentlemen—A more appropriate name could not have been given those small evidences of debt issued by the post office and the express companies than "money orders." They are just what their name implies—orders for money. They have been used by the public for many years, and have always been honored when properly presented for payment. Not only the upper and middle class of the United States, but the ignorant negroes of the South, the half-educated foreign laborers of the Northern and Western States and the "heathen Chinee" of the Pacific Slope have been taught to believe in the solvency of these orders. They are perfectly familiar with their form, shape and color, and they know that the Government of these United States guarantees the payment of one, while the great and powerful express companies guarantee the payment of the other. They have the same faith in these orders as they have in the actual money of the Government.

Without going into details, but just to show the size to which the money order business of this country has grown, I will mention the fact that the post office now does a daily business of over $1,200,000, averaging about $7 per order. As to the express companies, reliable figures can be had from the brief issued by the American Express Company in its suit with the Government on the war revenue tax some years ago, and from which I quote the following: "In the year ending December 31, 1899, money orders were sold by all express companies to the number of 10,135,052, aggregating a total amount of $120,040,277.65. The express money order averages $11.84 per order and the average rate was ten cents per order." It has been estimated that a clean profit of three million dollars is annually made by the Government and the express companies in the selling of these orders, and the business is steadily growing.

EXPERIENCES IN SEVERAL STATES.

In view of these facts, it is but natural that there should have been a general agitation among the banks of America to recover this money-order business. In 1894 the Texas Bankers' Association adopted what was called the reciprocal draft, for the purpose of competing with the post office and express companies. This was a special form furnished to members by the association, limited in amount to $200 and cashed without discount by any member. The association expended considerable money in supplying the forms and advertising matter. A number of banks expended an additional amount to advertise it. Efforts to popularize this instrument proved futile, the public seeming slow to recognize a draft as equal to a money order. The Georgia Bankers' Association, in 1896, two years afterwards, adopted what was called a circular check, which, likewise, ran its course. It has been thought by the friends of these enterprises that neither instrument was properly named. Both should have been called money orders. It would have taken two decades to have taught the masses what was meant by the terms reciprocal draft, and circular check. But the bankers of the Lone Star State, with that same determination and heroism displayed by their forefathers when they gained their independence under the gallant Sam Houston, would not give up the fight. With renewed enthusiasm, they have adopted what is now called the bank money order, which has been in use for several years. The Texas money order is drawn on New York, Chicago, St. Louis, Kansas City, New Orleans and other points and bears the insignia of the association in the form of a shield. In an address made by Mr. J. W. Butler, the secretary of the Texas Bankers' Association, he said: "The system of money orders, issued under the auspices of the Texas Bankers' Association, has proven quite a success. For many years, the subject of how to combat the inroads of the express companies and the post office engaged our conventions. We found the key to the problem when we decided by resolution that the members of our association would make no charge for cashing bank exchange when $200 or under.

"Besides benefiting the members by this enterprise, we have enlightened our association. The money-order idea is largely to be credited for the increase of membership in the Texas Association from 239 at its introduction, to the present splendid number of 470, and the system is a potent factor in retaining this large membership. To summarize the advantages of the system: First, your exchange bears the statement: "bank money order." This enables you to advertise your exchange as "money order," which term is well understood by the public. Second, you offer an order that will be cashed without discount almost anywhere in this country. We have not had reported a single instance where a bank charged for cashing one of such orders."

The Missouri Bankers' Association, which boasts of the largest membership in proportion to the number of banks, has recently adopted a money-order system. So has that active and wide-awake Minnesota Association, and I am informed that Kansas and California have a bank money-order system of some kind. Washington, Nebraska, New York, Michigan, Louisiana, Tennessee and Virginia have already adopted, or contemplate adopting, a money-order system in the near future.

BANK MONEY ORDERS MUST BE MADE ABSOLUTELY SAFE.

Thus it will be seen that the idea is a popular one, and it will not be long before many other States will be giving these money orders a trial. I believe that to a large extent the State associations will succeed with these orders, but it is my fixed opinion that until a money-order system can be devised whereby its orders will be asked—not almost everywhere, but everywhere—as readily as are the orders issued by the post office and express companies, the post office and express companies will not be very much annoyed by our competition. The business obtained by these very wide-awake and enterprising State associations will not grow to any great and magnificent extent until they adopt some plan which will make the money orders issued by the little banks of Ty Ty, Georgia, and Lickskillet, Texas, just as good as the orders issued by those mastodon banks in the great reserve cities. Not only must they do this, but they must establish the fact in every State of the Union that an order issued by one bank is as good as an order issued by any other bank. The wise and progressive leaders of these State bankers' associations are endeavoring to have their money-order systems adopted by all the other States. When they succeed in this, a long step forward will have been made, but the system will still be incomplete. It is absolutely necessary for every money order issued to be as good as gold, and the question has been asked: "How can it be made so?" It is infinitely easier for the public to become posted as to the reliability of the post office and express companies than it is to learn about the standing of thousands of different banks from Maine to California. In answer to this, it is urged that no one ever saw a financial statement of the express company, and yet the public buys its orders by the thousands. This is not a good argument. It is an easy matter to gain the confidence of the public, and so long as honest methods prevail, this confidence can be retained; but let one act of dishonesty or insolvency be committted, and that confidence is lost forever. It sometimes happens that the payment of an express order is delayed for a time because some officer is short of ready cash, but we have yet to learn of the absolute repudiation of an express order because of the company's insolvency. Until we learn of this, the confidence in express money orders will continue to increase; but if an express company should ever fail, and its orders be flung upon the buyers as worthless paper, it will take fifty years to outlive the prejudice that will be formed against them. The most successful bank money-order system ever devised, or that can ever be devised, will ultimately fail if an occasional order is allowed to go to protest. It is not enough to win success—we must deserve it. It is not enough to secure the confidence of the people who buy our orders, but we must also secure the confidence of the banks in every State and Territory which may be called upon to cash them. We must make our orders safe. These money orders must have something behind them besides the bank which issues them. May the day never come when the orders issued by any of our members can be justly styled "wild-cat orders." There must be some solvent guarantee that no matter if the bank of issue fails irretrievably, its orders will be promptly paid. An absolutely successful bank money order will never be attained until this is done. These State associations will some day find this guarantee and all will be well, but that day will be greatly hastened if our American Bankers' Association, with its power and influence, would lend the State association its mighty aid. Now is the appointed time for us to act. We, who banded ourselves together for the purpose of promoting the interests of the banking fraternity, should help them in this titanic struggle.

"It is more worthy to leap in ourselves
Than tarry till they push us."

I will not weary you with the details of the various ways in which this help might be given, but I am sure that success awaits our efforts. We have but to start the machinery in motion with the right men in control and we will have a money order that will stand the test, not for an age, but for all time. It will become so strong in the minds of the people that they will hoard these orders in times of panic along with the cash they draw from the very banks which issue them. Let us help them, not carelessly, but cautiously and advisedly. The wisest financiers of this world are American bankers, and the wisest of American bankers are members of this association. It is an idle tongue that will declare these bankers unequal to the task proposed. Before we turn our faces to the East, let us instruct our executive council to assist the State associations in their heroic fight. Let the council choose the wisest, brightest and most active to perform this work, and you may be sure that the money-order system they approve will close forever the ranting mouths of moss-back critics. They will give us a money order that cannot be altered or raised—an order that will be uniform in shape, size and color, so that it will be easily recognized wherever seen—an order which in five years, with the tremendous advertising and backing which this association alone can give, will be as familiar to the Filipino as his Spanish coin—an order which will rival in stability the notes issued by that Gibraltar of banks, "The Mother of Threadneedle Street"—an order that will be as readily cashed in St. Petersburg as Chicago, in Paris as New York, in Vienna as San Francisco—an order which will bring back to the banks of this country millions of profit which, in their blind indifference, they have been giving away. Let us trust this work to the clever men whom the executive council will appoint. These men will think twice before they act. They will make no unwise move.

"And, like the famous ape,
To try conclusions, in the basket creep
And break their own necks down!"

They will not venture on this financial sea in a weak and saucy little boat whose untimbered sides will spring a thousand leaks should "the ruffian Boreas once enrage the gentle Thetis," but they will make their way in a strong ribbed bark that will ride safely and majestically on every wave, and hurl defiance at every storm.

MR. PIERSON: Mr. President, I believe the decision of the convention was that the consideration of the resolution in regard to money orders should come immediately after the reading of this paper.

THE PRESIDENT: The gentleman is correct.

The question is on the adoption of the resolution offered by Mr. Pierson as follows:

"*Resolved*, That this association adopt a banking money-order system, and that the president appoint a committee of five to devise a plan whereby members can be furnished uniform bank money orders and proper advertising matter in connection with the same at a minimum cost.

"The report of this committee shall be rendered to the executive council, which is hereby empowered and requested to authorize such expenditure as shall in their judgment be proper to enable the committee to carry out its recommendations."

EDWIN GOODALL, Vice-President Bank of Discount, New York city: Mr. President, I am glad that the opportunity has come that this question may be decided in the manner in which it will be. I only regret that there are no more people here to discuss it. The only modification or change I would suggest in the resolution, is that instead of the president appointing the committee, the executive council should be given that power. I offer this amendment, making that change; I offer it in a very friendly spirit, and if there is any objection, I will withdraw it.

A DELEGATE: Whom do you represent?

MR. GOODALL: The Bank of Discount, New York city.

THE DELEGATE: Are you connected with any institution using these orders?

MR. GOODALL: Yes, I am a director of the Bank of Discount.

(Cries of "Question," "Question.")

MR. PIERSON: Mr. President, the original motion was passed upon by the executive council, and recommended by them. The point made was that it seemed to be necessary that that change should come before the executive council. I call for a vote upon that.

THE PRESIDENT: I think it would be a very strict construction of the constitution to say that a resolution reported by the executive council could not be amended by the association, and, therefore, it certainly seems competent to propose the amendment that the gentleman has proposed. The question recurs on the adoption of the substitute for the original resolution.

MR. COOK, of Kansas City: Mr. President, it seems to me proper at this time to suggest that in view of the late hour, and in view of all the facts, and since there seems to be some question about the possible fairness of the president, that the substitute should be voted down, and the original resolution prevail.

Upon motion, duly seconded, the amendment offered by Mr. Goodall was laid upon the table.

THE PRESIDENT: The question recurs on the adoption of the original resolution.

The motion prevailed.

Thereupon, at 1:30 o'clock P. M., the convention adjourned until Thursday, October 22, 1903, at 10 o'clock A. M.

SECOND DAY'S PROCEEDINGS.

Thursday, October 22, 1903.

The convention reassembled at the California Theatre, Thursday, October 22, at ten o'clock A. M., and was called to order by President Caldwell Hardy.

Prayer was offered by Rev. George C. Adams, Pastor of the First Congregational Church, San Francisco.

THE PRESIDENT: I have a telegram here, which I will read.

Cleveland, Ohio, October 19, 1903.

Caldwell Hardy, President American Bankers' Association, San Francisco:

Please express to the members of the American Bankers' Association my deep regret at my inability to attend the twenty-ninth annual convention. The members of the association may feel as I do a justifiable pride in the strong position which the association has taken in the country for conservatism and progression. I sincerely hope the convention may be the most successful in the history of the association.

MYRON T. HERRICK.

THE PRESIDENT: The secretary has two announcements to make.

THE SECRETARY: The California Society of the Sons of the American Revolution has sent the following invitation:

San Francisco, October 21, 1903.

Secretary American Bankers' Association, California Theatre:

Dear Sir—Enclosed please find circular relative to the annual dinner of this society, to be given here to-morrow evening.

It is altogether likely some members of your association now visiting this coast are members of our society.

If so, we extend to them, through you, a cordial invitation to attend this dinner as our guests, and if they will communicate with me, arrangements will be made to accommodate and welcome them. Yours respectfully,

A. D. CUTLER, Chairman Dinner Committee.

The California Promotion Committee of San Francisco writes as follows:

San Francisco, October 19, 1903.

Mr. Caldwell Hardy, President American Bankers' Association, Palace Hotel, San Francisco:

My Dear Sir—The California Promotion Committee, representing the leading commercial organizations of the city and State, tenders a most cordial invitation to the members of the American Bankers' Association to visit the headquarters of this committee at No. 25 New Montgomery street, this city.

As the objects of the committee are entirely unselfish, and as it is composed of the leading men of San Francisco, all of whom are glad to welcome the American Bankers' Association, I will most heartily appreciate the bankers calling at our headquarters and obtaining our literature upon all portions of the State. The Promotion Committee is a unique organization, supported entirely by subscription. Such interest has been manifested in the work that organizations of other committees representing a great amount of capital have come to study our methods.

I feel certain that, apart from the literature and information your members can obtain regarding this great State at our headquarters, they will be glad to understand the workings of the organization which is so conspicuous a result of California patriotism.

The Promotion Committee, therefore, begs that the courtesies of its headquarters may be thrown open to the members of the American Bankers' Association, and that the spirit of this letter may be formally declared to all guests now in the city.

Hoping to have the pleasure of meeting you personally, I beg to remain, cordially yours, RUFUS P. JENNINGS, Executive Officer.

This is a telegram received from the Cincinnati Chapter of the American Institute of Bank Clerks:

Cincinnati, Ohio, October 20, 1903.

American Bankers' Association, in Convention, San Francisco, Cal.:

The Cincinnati Chapter of the American Institute of Bank Clerks sends greetings. WM. BEISER, Secretary.

The auditing committee have sent in the following report:

We, the undersigned auditing committee, have carefully examined vouchers and statements of George F. Orde, treasurer, and have found same to be correct.

ALEX. D. CAMBELL, Chairman;
G. M. REYNOLDS,
J. R. McALLISTER,
Committee.

THE PRESIDENT: What is your pleasure with the report—shall it be received and filed?

Upon motion, duly seconded, the report was received and filed.

THE PRESIDENT: Next on the programme is an address by Mr. J. E. McAshan, Cashier South Texas National Bank, Houston, Texas.

THE MONEY SUPPLY OF THE UNITED STATES.—ADDRESS BY J. E. MCASHAN, CASHIER SOUTH TEXAS NATIONAL BANK, HOUSTON TEX.

Coming as I do from the busy life of a banker in whose never-ceasing grind I have spent a third of a century, it can scarcely be expected that my remarks will be as academic as those of other men who have made the study of theoretical finance a specialty. There are, however, some things to be said of the money supply that will be recognized as truth by a majority of bankers in this magnificent commonwealth, whether they be from the city or from the country.

Volney, in his great work on the ruins of empires, classes the banker with the tyrant, and other oppressors of mankind. At a recent banquet in New York given to bankers, one of the orators, under the influence of enthusiasm, patriotism, remorse and other stimulants, said: "It is a good thing for us bankers occasionally to get together for the purpose of seeing what we can do, whom we can do, and how we can do them." I see before me representatives of this honorable profession of tyrants and doers, from all parts of this great country. I see before me those who angle for trout and suckers in New York, and those who, with equal impartiality, skin the festive cat and larger fish on the shores of the great lakes. I see my fellow doers from the prohibition woods of Maine, Kansas and Carrie Nation, to the boundless hospitality of wide-open San Francisco.

We, who represent the tyrannical profession of bankers, are gathered here from the land of icicles and bicycles, from the home of aromatic wooden nutmegs, from the land of the magnolia and the home of the mocking-bird. In fact, from everywhere I see before me members of that noble profession who do others for fear that others will do them, and I am confronted with the question, "The Money Supply of the United States."

What are we going to do about it? What can we do about it? Secretary Branch, in his letter to me suggesting this discussion, invited me to limit my remarks to two thousand words, so if I leave anything unsaid on this question, just lay it on my time limit. The request of the Secretary reminded me of one of my friends. The friend had a little boy who asked a great many questions.

One day his father said, "Dick, you take up too much of my time asking questions." "Well," said Dick, "just answer me one question and I will let you off. It will only take you a minute." "All right, if it will only take a minute, fire away." "Well," said Dick, "just tell me how to work miracles and how to make condensed milk." Dick's question remained unanswered. I am inclined to think that I would show you a miracle if I should make a thorough discussion of the money supply of the United States in two thousand words.

What do we mean by the money supply of the United States? We do not mean the supply of money that has accumulated in the vaults of the Government. This needs no discussion. We all know that the Treasury of the United States is overflowing with money. It has even been suggested that the reason the banks are so short on cash is because the Treasury is so long on it as to have about one-fourth of our circulating medium under its control. It is even hinted that Wall Street, with its matchless ability and vulpine cunning—this last phrase is not original—disapproves of the independent Treasury system. It is even spoken in whispers that our great captains of finance spend days, and even nights, in brain work trying to evolve some plan by means of which they can do the Secretary, establish a community of interest, as it were, between Wall Street and the Treasury and exchange some Treasury fatness for Wall Street leanness. The courting is all done by the financiers.

Why does this condition exist? The democrat will tell you that it is by an abuse of the taxing power of the Government; that a larger proportion of the people's money is withdrawn from circulation than is needed for the expenses of the Government. They are all democrats down our way, except Federal office-holders and other wards of the nation. The republican party will say that such is not the case. That this preponderating preponderance of wealth is due to a laudable effort on the part of our paternal Government to protect our little infant industries such as the United States Steel Corporation. Meantime, the banker is up against it. He who would give the glad hand must show the marble heart. His few days are full of misery.

The banker is a hybrid in politics; he is neither a democrat nor a republican. He is composed mostly of legs and baldness. Legs, the more conveniently to straddle political fences, and baldness brought on by herculean mental efforts to know on which side of the fence to fall at the right time. It is a tremendous job for a banker to think; when he does, something is sure to drop. Two of my friends were running for office. They met in our bank one day. One said the other was no democrat. The other said the other was another. The air became blue; the temperature began to rise; the electric fans fairly churned hot air. I saw that I had to speak or lose both their accounts. Unless I did, each would think I had said all the complimentary things which each had said of the other. So at the first pause in hostilities, I said: "Gentlemen, don't you think that in the discussion of such gigantic questions we are liable to run the enconomic center of immensities into the political conflux of eternities?" They both said they did, and at the same time with a paralytic smile bade me good-bye, and went away my friends. I had fallen on the right side of the fence, but just consider the waste of gray matter involved in such an effort! No, my fellow tyrants, we are not expected to discuss the money supply of Uncle Sam. That will be all right so long as he has unlimited powers of taxation and requires United States bonds as security for United States deposits.

The money supply under discussion is that of the country at large; the money which is available for business; the money which is available for paying deposits when our depositors withdraw a part of our working capital to work on themselves. It is a mystery to me what becomes of the money at certain seasons of the year. There are times every year when the whole country has an abundance, or seems to have. Interest rates seem searching for zero; loans are paid off and from New York to San Francisco and from Maine to Texas all the banks seem loaded with swag. There are other seasons when there is a great scarcity of it. Where does it go? New York does not have it; Chicago does not have it. I think from all appearances here it emigrates to San Francisco. The country does not have it. It exists, but is so nimble that we cannot find it. The fact that the whole country, under normal conditions, has at certain seasons of the year an abundance of money, in spite of all financial piracy and buccaneering, is proof that under ordinary conditions the money supply of the United States is sufficient for our commerce. The comparative volume of money in circulation, compared to the volume of trade, is greater in the United States than in any other country of the world. I make this as an assertion. I am not going into statistics. Figures never lie, but statistics are sometimes misleading. A railroad company sometimes borrows money for years to pay its dividends, still expert accountants can figure out that their stock is a gilt-edged security.

Under normal conditions our money supply is ample; even now circulation is being retired more rapidly than the law permits. In February and March, with large deposits, we sometimes carry a reserve of eighty per cent. and blazon to the world our great riches. The solvency of a bank is gauged by the magnitude of its debts; the insolvency of other corporations is gauged by the same standard. We see this reserve melt in the balmy days of May to sixty per cent.; and in beautiful poetic June to fifty per cent.; in business-like July to forty per cent., and in the dog days of August to a poor, pitiful twenty-five per cent., down to a disgraceful level of New York, and we wonder how the mighty have fallen so low.

We then write our central correspondents to find if they have any money; that while we do not expect to use our credit, oh! no! as a matter of form we write to them, and they write back that they have none, but in case our scruples are removed against using our credit, that we are such valued customers that they will impair their reserve for our sake. Now, the question is, how can we avoid charging prohibitive rates of interest, when our deposits are melting like the beautiful snow? How can we avoid that mental strain that is required to make a banker look cheerful when the whole beautiful realm of nature seems hung with crape and in mourning; when the waves of the sea seem to chant dirges; when the winds in the woods seem to whisper requiems; when the thunders on the mountains seem to growl funeral marches, the prairie breezes howl lamentations, and even in sea, and wood, and prairies, and mountains, make our vacations a travesty and a farce?

How can we relieve our central reserve correspondents from the embarrassment of impairing their reserves out of mere politeness to us? How can we do these things and not violate the fundamental principles of American liberty and sound economics? I believe that the creation of money is an attribute of sovereignty, and should not be delegated to private persons. I believe that assets currency is an injustice to depositors. Nothing should ever be done to impair the security of the depositor. I believe that the right to issue unsecured currency by individuals is monopolistic and un-American. It would be the bestowal of unjust and unequal privileges and would be wrong. These are the fundamental doctrines of my financial creed. I am, however, not a dreamer, an idealist or an enthusiast. Emergency conditions require emergency remedies. I recognize conditions as they exist and would like to see a remedy devised, for it would result to the interest of agriculture, manufacturing, commerce, mining and transportation, which constitute the entire circle of human enterprise. There are times of the year when the volume of money is not sufficient, and no one knows this better than the farmer, the country merchant and the country banker.

When the earth has yielded her increase, when the harvest moon hangs high in the heavens, when the sound of the thresher is heard in the rice fields, when the darkies sing amid the sugar cane, when the great Northwest pours its grain in golden floods all over the land, when old King Cotton holds his imperial court in the snowy fields of the fleecy staple; when the withered banners of the corn are still, and gathered fields are growing strangely wan; while death, poetic death, with hands that color whatever they touch, waves in the autumn wood his tapestries of gold and brown; when everywhere in this mighty nation from the ice-fields of Alaska to the shimmering glory of the Mexican gulf, from the unfriendly woods of distant Maine, where the God of Day sheds his beams of gold at dawn to the radiance of the Queen of Night, who at the self-same hour sheds her silver light over the Philippine Archipelago, then it is that the banker realizes that our currency needs relief in order that the American banker, the American farmer, the American merchant and the American manufacturer may handle to the best advantage the fruits which have been so bountifully provided under the providence of God. How can this be done and not violate sound economics?

SUGGESTIONS FOR AN EMERGENCY CIRCULATION.

I would like to make a suggestion, not as a cure-all, but simply as a suggestion subject to fewer objections than any I have seen brought forward. The relief should be on the emergency plan, pure and simple, and permissible only in emergencies and for the public good. It should be in the interest of the people, and not classes, and should be taxed out of circulation the moment the emergency is past. It should be safe and elastic. It should be uniform. It should be of such a character as not to weaken public confidence in banks. In short, it should be a currency based upon sound economics and patriotism. An unsecured bank circulation would be as safe as are the deposits of the bank, for the resources of the banks are guarantees of their payment, and whoever would deposit money in a bank would accept the bank's note. This, of course, would only operate locally.

It seems to me that a perfectly satisfactory emergency circulation could be devised along the following lines: Authorize the Secretary of the Treasury to issue Treasury notes to the National banks to the extent of twenty-five per cent. of their paid-in capital, on the following terms and conditions: The loan of these notes to the banks to be a general liability of the banks, secured by the several and proportional obligation of the stockholders of the banks to whom the notes are loaned. This pledge of the stockholders to be in the form of a stockholder's vote and to be in the nature of a continuing guarantee. This obligation to be in addition to the present general stockholder's liability of one hundred per cent. This loan of Treastury notes should not be made indiscriminately, but only to such banks as have stockholders whose responsibility is unquestioned, and has been ascertained by the Treasury agents, the bank examiners.

Thus, when a bank showed among its liabilities any emergency circulation, instead of creating any uneasiness in the public mind, it would promote confidence, and be a badge of honor or merit, as showing that the stockholders of the bank had been ascertained by Treasury agents to be good responsible men. The irresponsible bankers would thereby be eliminated. Such notes should be redeemable at the Treasury or any sub-Treasury. A duty should be charged upon such circulation, so low during the harvest season that banks would be encouraged to take them out, and thereby facilitate the commerce of the country, and this duty should be so high during the time that the emergency does not exist as to force the retirement of the notes and thereby prevent inflation. This duty should be at the rate of about three per cent. from July to January and at the rate of about ten per cent. from January to July.

The proceeds of this duty should be held as a safety fund out of which to pay the expenses of the issue and redemption, and for the purpose of redeeming those notes loaned to any failed banks. As most banks are well and wisely managed, this safety fund would no doubt be ample for all purposes, and it is not likely that a call would ever have to be made upon the bank stockholders to reimburse the Treasury for the loan of these notes. The banks should be required to hold a reserve against these notes, and the notes should be redeemable in any lawful money of the United States, and their redemption and retirement once a year should be made compulsory in case the ten per cent. duty was not a sufficient inducement for all banks to do so.

Along these lines, in my opinion, an emergency circulation could be devised that would be elastic. It would respond to the needs of trade. It would be safe, for it would be guaranteed by the liquid wealth of the banks and the accumulated capital of the stockholders. It would not impair public confidence in the bank's solvency, for its issue would be an evidence of merit, of the responsibility of stockholders. It would not only provide money for crop movements, but it would provide an enormous resource that could be utilized in times of panic, and thereby be a positive benefit to every class of citizens. The depositors of a bank are from every walk of life and in time of panic need to be saved from their own thoughtless ignorance and folly.

It may be thought that this suggestion is class legislation, and if it is subject to this taint, the taint is so small as hardly to count. Its benefits would be so far-reaching, wide-spreading and various, that the entire commonwealth would receive them and the special privilege so hedged around by safeguards, personal liability and taxes, that it would not be abused. This personal liability and tax feature may make my suggestion unpopular in some quarters. There is a great disposition on the part of most men to share benefits and avoid responsibilities. There is an old and honored American sentiment which says that they who dance should pay for the music. If this addition were made to our currency system it would be as nearly complete as we can hope to make it.

The time allowed for my address has now expired. I put forward my suggestion modestly, tentatively and hesitatingly, not as a universal panacea, but as an improvement. The area of this country is as great as all Europe. Our facilities for commerce and exchange, our oceans, our vast inland seas, our navigable streams, our canals, our vast network of railroads comprising thousands of miles, give us avenues of trade which no other nations ever enjoyed and which tend to the production of wealth with a rapidity not to be measured by any standard of the past. These things produce a traffic requiring at certain seasons of the year a volume of currency unprecedented in the marts of trade.

Let us hope that the glory and fame of the United States may not be tarnished by unwise financial policies. May this nation, whose victorious arms on land and sea have astonished the world, whose triumphs in mechanical arts and sciences have won the applause of nations, whose far-reaching commerce has invaded and subdued by gentle yet compelling force, Europe, the Orient and the isles of the sea, making it the arbiter of the world's destiny, while not aiming at the world's empire; may this nation, which in civil liberty and education uplifts and upbuilds the human race, and shall be the luminary for all the ages yet to be poured into the lap of empires from the secret cavern of time; may this nation, which seems to have been reserved by the God of nations for the manifest destiny of dominating and redeeming the globe, which has evinced a spirit of patriotism, and whose battle hymns have rekindled the altar fires of the earth; let this nation formulate odium of caste or lax with the taint of unsoundness, but such a theory as may be in keeping with the sublimity of our history, and the magnificence of our destiny.

THE PRESIDENT: The Chair regrets that Mr. Homer S. King has been called out of the city, and will, therefore, be unable to address us.

I now have the pleasure of introducing Mr. William B. Ridgely, Comptroller of the Currency, who will address us on the currency question.

MR. RIDGELY: Mr. President, Ladies and Gentlemen—I have taken the liberty, too late to have it changed on the programme, to alter the title of my address. Instead of speaking on "The Currency," the title of my paper will be "The Business Situation and the Currency."

THE BUSINESS SITUATION AND THE CURRENCY.—ADDRESS BY HON. WILLIAM B. RIDGELY, COMPTROLLER OF THE CURRENCY.

During the years of very active and prosperous business which we have had since the country began to recover from the depression following the panic of 1893, there has been a very marked improvement in the fundamental condition of our people and the amount of both capital and wealth they have produced and saved. This is especially true among the farming and producing classes, who have not paid off a vast amount of debt, but have accumulated money and property of all kinds to a greater extent than ever before. There has been a great increase in the volume of money in circulation among the people and there is more money in the banks to their credit. Since 1896 there has been a greater increase in the amount of money in circulation than during any other like period and about eighty per cent. of this increase has been in gold. We are continuing to add about eighty millions a year to our gold in circulation and about one-half of all the currency is gold. Our prosperity in business has been based on the very best foundation. It has been the result of the most legitimate causes and forces, and all these are not only still in operation, but give every evidence of continuance.

As is always the case, however, in such times, this movement of activity has been accompanied by a large amount of speculation, not only in stocks, bonds and securities, but in many other lines, and credits have become more and more expanded. In stock speculation and promotion especially we have gone too fast, with the inevitable result of a serious collapse, and such a decline in prices that people are becoming alarmed and beginning to ask if this may not end the whole movement of prosperity. This causes doubt and increasing hesitation in business circles. There is also a demand for financial and currency legislation, or Governmental aid in meeting the situation as it exists at the present time. While these important questions are all more or less connected and interwoven, the business situation is not to any very great extent due to currency or financial causes, and it is not to legislation we should look for permanent relief. If we had a better, and especially a more elastic, currency system, we might have been spared from some disturbances. If the surplus revenues of the Government had not been taken out of geenral circulation, there might not be so much fear of a tight money market. But, on the other hand, if there had not been the most absolute confidence in the soundness of our currency, the disturbances in the markets for securities of the past two years would probably have spread very much farther, and doubtless ended in a serious crisis with severe industrial and commercial depression. If there had not been a large surplus revenue and plenty of money in the United States Treasury, the Secretary might not have been able to render the assistance he has to the money market on several occasions when he checked trouble due to causes entirely apart from all questions of currency or governmental finance.

It is true that there are some changes in our Government financial system and paper currency which are needed and which might be made to very great advantage. If they were in force, these changes might now be very useful, but this situation is not due to the lack of them. We should make such a change in the collection and disbursement of the national revenues as will prevent the withdrawal of vast sums of money from business just when most needed. There is nothing so sacred about Government funds that they should not be handled through the banks like other people's funds so they would produce the least possible derangement of business. If any of the great corporations should handle its funds as the Treasury of the United States does and lock up such a vast sum of cash in its own vaults, legislation would immediately be demanded to stop it. We should at once pass such legislation as is needed to have the Treasury stop it and let money and business alone as much as possible. The less the Government has to do with business and business with the Government, the better for both.

CURRENCY LEGISLATION DESIRABLE, BUT INAPPLICABLE TO THE PRESENT SITUATION.

I am a thorough believer in currency reform and agree with those who wish to see the greenbacks retired, the silver withdrawn down to a point where it would be practically a subsidiary coinage or currency, leaving nothing in circulation but gold, as coin or certificates, and a real bank-note circulation secured by gold reserves with such regulations for issue and redemption that it would be a matter of indifference to the banks whether their credits remained with them as depositors or were circulating as notes. This is the only true solution of our currency matters, and I hope to see it some day accomplished. This, however, is a thing which can only be gradually done, and has little or no practical bearing on the present business situation. We have another very different system in force and it is with it we have to meet and cope with our present problems. It has two very great advantages. Our people are used to it and have had no experience with any other. Only the veterans in business remember anything different. Its greatest advantage is, however, its absolute safety and soundness. Realize what this has meant in the last year or two and especially in the last few months. If there has been the slightest doubt or uncertainty in regard to any of our currency, our standard of value, or our national finances, the squalls we have thus far stood so well would have developed into a cyclone that would have swept the whole country, leaving ruin and disaster on every side. It is a very good system which resists such strains, and there is great force in the argument that this is not the time for any very radical change if we should now attempt any at all. What is needed now is business sense and good judgment, not legislation. We may need currency legislation as we have needed it for years, but it is not to meet this situation, and there is no use to delude ourselves with the hope that legislation will help us out of trouble due to over-expansion and speculation. We need all the reserve money we can get, but legislation will not produce it. We must wait for the accumulation of gold, the only real reserve money. It will be no real help to make a further large increase in bank-note circulation and no one would think of adding to the volume of the greenbacks. No legislation can change fixed capital to productive capital. That is merely a question of time, and there is nothing to do but to wait for it.

FAR-REACHING EFFECTS OF FINANCIAL DEPRESSION.

There is also a tendency towards recrimination and placing the blame for present business conditions on some one else; for one section of the country to blame another; for the West to say it is all the fault of the East and Wall Street. Some very foolish people say they are glad to see the speculators lose because they alone are to blame and the rest of the people will not be hurt. There can hardly be any more mistaken view than this. There is no man, woman or child in the civilized world so poor, so remote, or obscure as not to be more or less affected by the large movements in the financial centers. Very recently I have known personally of enterprises in the mountains of North Carolina, in California, in Hawaii, in Alaska and in the Philippines whose proposed operations have been curtailed on account of the uncertainty of the money market. The result is that the amount of money to be spent for wages and supplies among people so widely separated in different parts of the world has been reduced and these people who, if they have ever heard of such matters, regard themselves as far beyond their reach and influence, have been directly affected in the amount of their wages and incomes and the prices of their products. These are only examples of thousands of similar cases and no one can say he is not concerned. The ramifications of business in all parts of the world are so intricate and far-reaching that what affects the money market in any large way reaches us all. It is true that there has been over-speculation, much of it wild and foolish; some of it fraudulent and dishonest. It does no good, however, to scold and blame the speculator. He always follows and participates in such a movement and always will until human nature changes. The purely gambling speculation on margins is only the fringe of the great trading and dealing in stocks and securities in Wall Street, which is a necessary part of modern business.

Do not misunderstand me as defending or even excusing this speculation. There is entirely too much of it and too many business and professional men, bankers and bank officers, have been tempted and acquired the habit of speculation during the last few years of rapidly advancing prices. It should be stopped if there is any way to do it, and you, as bankers, can do as much to discourage, ir not prevent, it as any one can.

This sort of speculation, however, is not by any means a chief or leading factor in the situation. The whole movement since the revival in business came has been more or less speculative, and just as business has been unduly depressed and prices lower than they should have been, we have gone to the other extreme. Wall Street and the speculators are perhaps not so very much more to blame than the rest of the country. Where is the man or the bank entirely free from sin to cast the first stone? You may not speculate on the stock exchange, or underwrite promotions, but it will be hard to find the bank whose officers or chief customers are not in some local promotion or combination which is more or less speculative. Properly enough, too, in many cases perhaps, for it is often one of the best services a bank can render its own community to encourage local enterprises which are legitimate and which are to be in honest and competent hands. The strongest claim which is made for our system of locally owned, independent banks is that they develop local institutions and are able to lend their credit to worthy local enterprises and deserving men where personal knowledge of the moral risk justifies credit which would not otherwise be granted. The interests of the whole country are so bound up together that no one section can truthfully say we have plenty of money and can take care of ourselves no matter what happens in Wall Street. The manifestations, of course, come in the financial centers, where there are daily quotations of prices and rates of interest and weekly statements of bank conditions, but people in all parts of the country are doing business and lending or borrowing money in the financial centers, especially in New York. Every day there are transactions and negotiations there affecting widely scattered parts of the country, and no one can tell how soon or to what extent these may influence his own business, the returns on his investments, his savings accounts, or his insurance policy, the market for the products of his farm, his mine, or his factory, the sale of goods from his store or his wages and the cost of living for his family. No one is so isolated or self-contained as to be entirely free from the effects of any important financial change or disturbance.

This is no time for any feeling or discussion between different sections of the country, classes of people, or lines of trade as to who is most to blame or who can stand it best. We are all face to face with the situation and equally interested. It is no time for passion or excitement, panic or fear, but for quiet, calm consideration, courage and firm action based on good judgment and conservatism. Considering all the circumstances and the pace at which business has been going for the past few years, it is not so surprising that there has been such a decline in the prices of securities, but rather that the country has stood it all so well, and that there has been no panic, so little trouble with the banks and so few failures. There could be no clearer demonstration of the inherent strength of our conditions and of the absolute confidence in our currency and Government finances.

Beginning with the stock panic in May, 1901, there have been repeated and tremendous slumps in the prices of stock and securities, collapses and failures in railroad and industrial syndicates, combinations and underwriting, and one of which, had our situation been less strong, would have produced a bad panic and a disastrous commercial depression. That we have stood it all so well is the best possible ground for the belief that it need go no further and that there is no reason for its reaching into general business and producing any great depression. As Secretary Shaw has so well said:

"There exists to-day no one fact, and no combination of facts, the logical sequence of which suggests disaster. If disaster comes it will be psychological and not logical. The microbe, if it exists, is in the mind; it is not elsewhere."

FALLING OFF OF THE BANK RESERVES.

It has been evident to any careful observer for more than a year past that our bank loans have been expanding too fast. The total loaning capacity of the banks of the country, as a whole, is limited by the amount of cash available as reserves for the deposits created by the loans. The credits loaned by the banks stay in the banks as deposits. The money may be transferred from bank to bank, but, as a whole, the money stays in some bank and the deposit continues as a deposit. In the report of the Comptroller of the Currency for 1902, there is a table given, showing the amount of coin and all forms of currency in circulation and the proportions held in the United States Treasury, in the banks, and now in either the Treasury or the banks; in other words, in circulation among the people. Except in unusual years like 1893 and 1896, these proportions do not vary much. The Treasury holds twelve per cent. to thirteen per cent.; the banks thirty-two per cent. to thirty-three per cent., the people fifty-three per cent. to fifty-five per cent. of the cash, and these proportions have hardly varied at all, while the total money in circulation has increased from eighteen hundred million to twenty-seven hundred million dollars. The great bulk of the loans remain as deposits in some bank and the chief limit to loans is the reserve for these deposits, and the total loaning power of the banks, therefore, depends upon the amount of deposits for which they can supply reserves.

In the article I read before your convention in New Orleans a year ago, I gave the figures showing the decline in the percentage of reserves in all the National banks at the following dates:

	Per cent.
December, 1896	32.42
October, 1897	31.70
September, 1898	30.27
September, 1899	29.38
September, 1900	29.67
September, 1901	27.65
September, 1902	25.74

At the date of the last call, September 9, 1903, the National banks showed 26.60 per cent.

Exactly similar figures for all the banks, State and private and National, are not so accurately compiled, but about the same proportionate decrease in percentage of reserves has taken place in all the banks of the country. In this same period, while the percentage of reserves to deposits was continuously on the decline, the amount of cash held by the banks increased from $974,000,000 in 1896 to $1,411,000,000 in 1902. In about the same time the total loans of banks increased from about four billion to over seven and one-half billion dollars. This available loaning power was a very potent factor in the great business revival which we have seen in the last few years. Its existence could not have produced the revival without the aid of favorable industrial and commercial conditions, but without this available expansion of loans and credits the revival would not have taken place.

There has, however, been another and perhaps more important change in this loaning power than increasing loans and the lessening percentage of reserves and that is the way in which it is now employed. The loaning power still exists; in fact, it is in operation, as the loans are now outstanding. In 1897, when the expansion began, we had passed through a period of most drastic and thorough liquidation. Everyone had been living and working economically and paying their debts. Not only the total amount of loans, but the portion of loans absorbed for fixed capital was at a minimum. The loaning capacity was, therefore, available for employment in any way which promised safety and profit, and perhaps we were for a while more intent on the profit than the safety. Now, however, we have had a period of extravagant living and working and prices of all kinds are high. It takes more money or credit, which is what is used in business, to do the same volume of business. What is more serious, a vast amount of this loaning capacity has gone into fixed improvements, which are either unproductive or very slowly becoming productive.

There is one field in which the loaning power has been absorbed, which is not so fully appreciated because there are no figures to show its amount, and the facts are not so widely known; and that is in the purchase of farming lands. It has been very largely a movement from some of the older Western States, where the prices of farming lands have become comparatively high, into the States further West or into Canada, where a man can buy two or three, or even five or ten, acres of the cheaper lands for the selling price of one acre of his old farm. This movement has not only taken accumulated savings out of the older communities, but large sums have been loaned to make these purchases of lands. This is a very important factor to-day in many of the middle Western States. It is not an unusual thing to hear from a local banker or from a bank examiner that fifty to a hundred thousand dollars has thus been taken from a small town, and the total amount of this must run up into many millions of dollars. Much of the loaning power of the Western banks has been thus absorbed which was formerly used in the purchase of brokers' commercial paper and loans on collateral in Chicago and New York. Another large proportion of the loaning power is absorbed in carrying increased quantities of old and new securities, some of them of more or less doubtful value. This is the situation which has called a halt and set us all to thinking, not the lack of a comparatively few millions of currency to move the crops or the accumulation of the surplus in the Treasury. Of course, those are factors of great importance, but they are not the leading or controlling factors in this situation.

STRONG FEATURES OF THE PRESENT SITUATION.

The power to loan still exists; the money is still in the banks for reserves, and there is as much money as ever in circulation outside of the banks and the Treasury. The question now is not so much the power as the disposition or willingness to loan. How far will the country go in the tendency to contract these loans? That is a question for the bankers mainly to decide. For about a year there has been a steady, almost uninterrupted, decline in the prices of all stocks and bonds. It has, however, been so comparatively gradual that there have been no bank failures, and very few stock exchange failures as the result, and so far general business has not been seriously checked. From a strictly banker's standpoint, his situation has been in one respect much improved. However hard it has been on those who have made the losses, the bank loans on stock exchange collateral are now readjusted upon a much lower basis with at least as much margin and probably more than on the higher range of values. A break in prices which, if a banker knew it was coming, would be very terrifying, is now past and the banks have not been hurt by it. The explanation of this is that most of the people who have made the losses had the money to lose without losing the money of the banks. Many of them made it on the rise in prices and only have given up part of the profits. There probably never was to time before in the history of the country when such a decline in stock prices could have happened and found the people so well prepared for it and the whole country with such powers of resistance and recuperation. We are in an entirely different condition and this is what gives such foundation for hope and firm faith in the future. The way business has stood the decline in stocks is an evidence of strength, not weakness. There may be and doubtless will be some hesitation and curtailing of other lines of business as the result, but there is no occasion to be nervous or hysterical about it; we should keep cool, and where our calm judgment approves be bold and courageous. If we have been too hopeful, do not let us all at once become too pessimistic. Let each bank stand by its customers and stand by the country, as it deserves. It never was in better condition when facing any such situation.

Contrast the position of the railroads to-day compared with a few years ago, when more than one-fourth the mileage and many of the most important lines were in receivers' hands. You have no more of railroad receiverships. The roads are on an entirely different basis. The country has filled up so that they have a vastly increased volume of permanent traffic; their tracks, machinery and organization are so improved that they can handle their business far better than ever before.

There is no comparison which can be made of the condition of the country to-day with what it was only a few years ago, which does not show the surest foundation for enduring prosperity, and there is no part or section of the country of which this is not true.

During the last ten years the balance of trade in favor of the United States has amounted to over three and three-quarter billions of dollars. For the single year 1901 this was $679,000,000. Although the alarmists complain of a considerable falling off for the year 1902, it was still almost one-half a billion dollars, or about twice as much as it had ever been in any year of our history previous to 1898. The aggregate wealth of the country has increased fully fifty per cent. since 1890. We are producing and adding to our stock of gold every year about $80,000,000, and almost an equal quantity of silver. The annual value of our farm products steadily increases and for the year 1903 it will be at least five billion dollars. The deposits of all banks in the United States have increased since 1895 from $4,900,000,000 to $9,525,000,000, almost double. The deposits of all banks in the State of Texas for this same period have increased from $35,000,000 to over $80,000,000, about 228 per cent. In the State of Iowa, the increase has been from $78,000,000 to $211,000,000, over 270 per cent.; in Kansas it has been from $35,000,000 to $84,000,000, or over 250 per cent.; in Nebraska from $35,000,000 to $84,000,000, or 228 per cent.; in California from $200,000,000 to $406,000,000, or 203 per cent. In Oklahoma and Indian Territory, where, in 1895, the total deposits were considerably under $2,000,000, there are over $27,000,000 on deposit in the banks. The aggregate deposits in all the banks in the States west of the Mississippi River have increased from $701,000,000 in 1895 to $1,700,000,000 in 1903, or 242 per cent. The three States of Minnesota, Iowa and Missouri have more bank deposits now than all the States west of the Mississippi had in 1890, and the States of Washington, Oregon and California have $40,000,000 more bank deposits than all the other States west of the Mississippi had in the year 1890.

But it is almost unnecessary to quote figures and statistics to you who are the custodians of the funds and thoroughly familiar with all the business of your home communities. No one knows better than you bankers what a great increase there has been in the wealth and prosperity of your own people at home; how many of them are out of debt and have money in your banks who ten years ago seemed hopelessly buried under a burden of debt they could never pay. You of the South know that the change in Southern conditions is a revolution, and that with good crops of corn and cotton your people are better off to-day than they have ever been before. You of the farming States, the West, the mountains and the Pacific slope, have seen whole States which were apparently bankrupt, where farms would not sell for the mortgage on them, raise year after year record-breaking bumper crops, and many of these mortgages paid off with the proceeds of one or two years' harvest. You have seen farms produce in one year crops of greater value than the land would have sold for before the crop was planted. You have seen your people pay off their mortgages and your bank deposits double and treble within the last few years.

You of the reserve cities, who are at the centers of business and commercial life, have seen equal prosperity among your merchants and manufacturers. You know how your country bank customers have prospered and how their balances have increased with you; how many of them used to have to borrow of you are competing with you and lending money to your own city customers. Every State in the Union, every section of the country, has shared in all this. It is no sudden effervescence or bubble of speculation, but the natural, inevitable result of potent existing and continuing forces. It is not going to disappear or vanish in a day because of a slump in stocks or the collapse of a few underwriting syndicates. It may be necessary to pause a little to get our breath after the pace we have gone, but if there is any serious check it will only be because we have lost our nerve and courage. The course of business to-day very largely depends upon the bankers. If the banks continue to act wisely and conservatively, as they have, they can avert anything like serious trouble and keep the country in shape for a continuance of very prosperous times. In doing this, they can perform a most patriotic service to the country, and, as is usually the case, the patriotic thing to do is the wise and sensible business course as well. The banks have only to stand by and look out for the best interests of their customers and stockholders. If each bank takes care of its own business and own people and stands by them now there need be and will be nothing more serious than a period of waiting and perhaps some readjustment of prices which might in the end be a good thing for every one. The speculations, promotions and combinations which have run their wild course were caused by and were not the cause of prosperity. Prosperity came as the result of the productivity of our fields and forests, our mines and factories, the tremendous energy and activity of our people applied to the most wonderfully productive country in the world. It should not and will not cease because the speculative attempt to discount the future and over-capitalize earning power has met with fore-ordained and inevitable failure.

THE PRESIDENT: The next business in order is the call of States.

THORNTON COOKE, Treasurer Fidelity Trust Company, Kansas City, Mo.: I desire to offer the following resolutions for reference to the executive council, with the request that it be reported immediately back to the convention for its consideration. It is this:

Resolved, That the committee on fidelity insurance be continued until the next annual meeting of this association.

The motion was seconded.

THE PRESIDENT: It is moved and seconded that the fidelity committee be continued until the next convention. That motion would require a two-thirds vote to be adopted, according to the constitutional provision.

A vote was taken, and the resolution was unanimously adopted.

THE PRESIDENT: The resolution is referred to the executive council.

P. C. KAUFFMAN, Second Vice-President Fidelity Trust Company, Tacoma, Washington: Mr. President, I offer the following resolution:

Resolved, That the thanks of this convention be tendered to the Comptroller of the Currency, the Hon. William B. Ridgely, for his wise, temperate and most timely address.

The resolution was unanimously adopted.

C. B. MILLS, Cashier People's Trust and Savings Bank, Clinton, Iowa: I offer the following:

Resolved, That the executive council be requested to grant the request of the educational committee to appropriate the sum of $10,000 to carry on the work of the American Institute of Bank Clerks.

The resolution was seconded by William George, of Aurora, Illinois.

THE PRESIDENT: That will have to be referred to the council by a two-thirds vote, for an immediate report, as was done with the former resolution.

The resolution was unanimously adopted.

THE CALL OF STATES.

THE PRESIDENT: We will now proceed with the Call of the States.

The secretary proceeded with the call of the States, and the following responses were made:

ALABAMA.

L. B. Farley, Cashier Merchants and Planters'-Farley National Bank, Montgomery, Ala.: Mr. President and Gentlemen—First on the roll of States to answer to the call, so will Alabama be found on the tablet of progress and prosperity. Like a brilliant meteor in a scintillating galaxy of States, Alabama stretches from the beautiful valley of the Tennessee on the north to the historic Gulf of Mexico on the south, and within her bosom she carries those God-goven treasures which would be a credit to any State or country now known to man.

In inexhaustible quantities from the very bowels of the earth we are producing for the use of mankind the very best grades of iron and coal, and at a lower cost than is possible in our sister State of Pennsylvania and older competitors. The labor question in Alabama is one that scarcely, if ever, perplexes its citizenship, for the reason that wages well balance the hours of toil and the cost of living is not a severe tax upon the people.

With us business is good, and the song of contentment is heard far and near.

The future of the State is safe beyond question, in that its industries are diversified, for, besides the natural products to which I have referred, Alabama is one of the largest producters of King Cotton, and at present prices this year a distribution of nearly $60,000,000 will result from the recent labors of our farming interests on this account alone. Our corn crop exceeds in volume that of any previous year for two decades past, while in oats we have made a yield equal to our coming needs.

Money is plentiful in Alabama, and our banks are rapidly becoming lenders to our Eastern friends, rather than borrowers. During the year ending July 1, the deposits of Alabama banks have increased $10,000,000, while banking capital has shown an increase of over $3,000,000; the increase in the number of banks being less than twenty.

Our most important move of financial interest has been the passage by our Legislature, on October 3, of a banking bill, requiring periodical examinations of all State and private banks by a State Examiner, and the publication of additional statements as called by the State Banking Department. The bill also restricts unsecured excessive loans, and loans to officers or employes, as well as requires the maintenance of a fixed reserve. The bill has been sadly needed for years, and "wildcat" banking is now at an end in Alabama.

Rich in its natural and agricultural attainments, Alabama has not been behind in presenting you with such army and navy timber as "Fighting Joe" Wheeler and Richmond Pearson Hobson, and to elevate the negro (whose condition is as well cared for in Alabama, as in any State in our indestructible Union), we have made you acquainted with Booker Washington, who is doing a great work along the right lines at Tuskegee.

In conclusion, I wish to impress upon my hearers that true American manhood in all its beautiful and sweet characteristics is found flourishing in Alabama in no less degree than elsewhere, and no son of our State can have a grander heritage than to be brought up to manhood under the gentle influence of an Alabama mother, for of such is created the true American citizen, who knows no North, no South, no East, no West.

Alaska. (No response.)

ARIZONA.

L. M. Jacobs, Cashier Arizona National Bank, Tucson, Arizona: Mr. President, Arizona simply has to say that her people are progressing to a very great extent, as evidenced by reports her banks are able to make, and I have to say that there is only one change we would like to make, and that is we would like to get out of our territorial condition that now exists and join the galaxy of States that form this great and glorious Union.

E. F. Swinney: Mr. President, I would ask that the executive council meet at once at the rear of the stage.

ARKANSAS.

John G. Fletcher, President German National Bank, Little Rock, Arkansas: Mr. President, and Members of the American Bankers' Association—As a representative from the State of Arkansas I bring good tidings to this convention. I hail from a State that has more navigable rivers than any other State of this Union, that has more fertile alluvial land than any other State of the Union. When I look back into the past history of my State I am reminded of a sentiment that is expressed in the good Book, that the first shall be last, and the last shall be first.

Arkansas is to-day no longer the laughing stock of the people of this country. We have over two hundred banks in the State, every village in the State has one or more banks, and they are all doing reasonably well. The State is now virtually inundated by the timbermen and lumbermen of the great North. We have the finest forest timber that grows upon the face of the earth; we have the finest cotton-producing State in the American Union, and that says everything. We have coal that underlies thousands of acres of our ground, which is now receiving the attention of capitalists and being developed. Why, sir, let me say to you that Arkansas is to-day one of the main pillars of the American Union.

Last year Arkansas had a million bales of cotton, worth $50,000,000, and our wheat crop and our corn crop were all good, and we also raised a great quantity of fruit, including plenty of watermelons for the negroes to eat.

As a native of Arkansas, I say that I am proud of the State, as I am proud of the United States—a Government whose two per cent. bonds are quoted in Wall Street at 107, while British Consols at two and three per cent. are down to 88.

We are American citizens, we in Arkansas, white, black, red and all together. We live together there with our colored people in perfect harmony, working side by side for the upbuilding and prosperity of that great State.

I am reminded of what the immortal Thomas H. Benton said in the Senate of the United States, that this country must look to us, look to the East, look to Arkansas for a home.

I had relatives that came across the plains in 1849, who helped to make California what she is, and we are proud of her. She is the only State in the American Union that never had a territorial form of government. Why? With the great moving spirit that prevailed in 1849 so many came in here that California was admitted as a State.

But to return to Arkansas. When the Creator had finished the universe and saw that it was good, not only good, but very good, he had an eye on Arkansas. Draw a line from Maine to San Francisco, and Arkansas is the half-way house. Draw a line from the Great Lakes down to the Gulf of Mexico, and Arkansas is the half-way house. So it is that this American Union is the center of the world, and Arkansas is the center of the Union.

My time is up, gentlemen. I am proud and happy to be with you. I have had an awful weight on my shoulders since I have been here, being the only representative from the great State of Arkansas, and having carried the whole State on my shoulders, no wonder I feel a little fatigued.

I thank you for your attention, and I hope to see every man here at the next national convention. I hope you will return home and find your families in good health and your business in a prosperous condition.

A VOICE: "What's the matter with Arkansas?"

CALIFORNIA.

J. M. Elliott, President First National Bank, Los Angeles, California: Mr. President, the member from California who was to have responded is not here. All that I have to say in his place is that when speaking of this great State it is impossible in the few minutes allowed me to recount what there is here for you to see. What I say to you is, gentlemen, look about you from the time you cross the Sierras until you go back again. I am sure that what you have seen, and what you will see, will be interesting, and much of it strange. It may be that much of the country will seem desolate to you; but remember that you have come to us at a time when we have had no rain for six months, which, in your country, would mean absolute desolation and destruction. With us we have been accustomed to it for so many years that we have learned to withstand it, and to prosper notwithstanding it.

Welcome has been given to you by San Francisco men whom you have listened to, and all I can say to you in addition is, may you all enjoy yourselves from the time you come within our gates until you leave them.

Colorado. (No response.)

CONNECTICUT.

A. J. Sloper, President New Britain National Bank, New Britain, Conn.: Mr. President and Members of the American Bankers' Association—The State of Connecticut, the land of steady habits, sends greeting to this convention, and have decided, the two or three of us that are here, after visiting this beautiful city, that the city of San Francisco, and especially the bankers who are visiting here, are attempting, in the evening, at least, to emulate the land of steady habits; because we found them where, if they are to become a close second to our good old Connecticut, we should have to send back for reinforcements.

Connecticut is doing very well. We have $25,000,000 only of banking capital, with about $18,000,000 surplus, and some $65,000,000 of deposits. But in our manufacturing interests—what shall I say? Who shall come after Arkansas? Let me remind you, gentlemen, that when you go home after you have been out here with the boys at the club, or elsewhere, you will take from your pocket a key, and after you have found the keyhole you will put that key in a lock that was probably made in Connecticut, because we make about eighty per cent. of the builders' hardware that is used in the United States. You will hang up your hats on a hook on the hat-rack that was probably made in Connecticut. You will walk over a carpet that is tacked down with tacks that were, no doubt, made in Connecticut. Your house was probably made with tools that were made in Connecticut, because we make sixty-five per cent. of all carpenters' tools in the country. Then you may go into the pantry and spread yourself a cracker, and if you do you will use cutlery that was made in Connecticut—because about sixty per cent. of all the cutlery in the country is made in our State. Then you will go into your rooms and lie down to rest on a brass bed that was made in Connecticut, because about seventy-five per cent. of the brass beds are made in our State. You will sleep on a mattress that was probably made in our State, because sixty-five per cent. of the wire fabric mattresses are made there. When you throw off your suspenders, preparatory to going to bed, you should remember that they were probably made in our State, for we make about ninety per cent. of the metal on the suspenders that are worn. Then, if you pare your corns before retiring, you will use a knife that was made in Connecticut.

And so it is from the cradle to the grave, you daily must use the products of our State. At last, when you are laid to rest, you will be laid in the earth in a coffin which, in part, at least, came from Connecticut, and screwed in with screws that were made in Connecticut, because about seventy per cent. of the screws are made in our State.

We are not so large as Arkansas; we are on one side of the United States instead of being in the center; we are not the center of the universe. But Connecticut is enterprising and progressive, and we will always be with you, especially in a gathering of this kind. As a result of our industry, business ability and thrift we have in our Savings banks a little over $225,000,000. With a population of about a million, that means $225 to the credit of every man, woman and child in our State.

E. F. Swinney, Chairman Executive Council: Mr. President, the executive council recommends the adoption of Mr. Cook's resolution.

As to the resolution to set aside $10,000 for the educational committee, that needs a little explanation. Last year they set aside $7,000. They have only used $4,000 of this amount, and the council would recommend that $5,000 be set aside for that part, or that it be referred to the incoming council.

Robert J. Lowry, President Lowry National Bank, Atlanta, Georgia: I think the gentleman is a little in error. We had $3,000 left over last year, and we had an appropriation of $10,000. There was about $3,000 left over. Therefore, we ask for $7,000.

Mr. Swinney: As I understand it, this $3,000 remains to the credit of that committee, and the $5,000 will be added to that.

Mr. Lowry: I hardly think that the committee can get along with less than the amount they ask for for this great work. Of course, we are not going to spend it unless we can spend it to do good for the American Bankers' Association. Therefore, we hope that the appropriation asked for will be given.

The President: As there seems to be some difference of opinion as to the amount appropriated, Mr. Swinney has suggested that it be referred to the executive council, and my idea is that they will make ample provision for the committee.

Mr. Lowry: I hope that that will not prevail. I hope that we will not be in a hurry about this, but that we will take time to understand it, and let the appropriation be made; and then, if the committee requires more, I know the executive council will give us more.

The President: The motion before the house is to refer it to the incoming council.

Mr. Lowry: As I understand it, they report $5,000 with the $3,000 which was unexpended, making $8,000 in all. Is that right?

Mr. Swinney: We have something of this kind come up at every council and hurry it through. We do not believe it is a good idea to have them go through in this shape. We believe they should have due consideration, and for that reason we believe the matter should go before the new council. There is no question but what the new council will get along all right with this committee and give them what they need, but you know you cannot get a council together and pass upon a matter of this kind without considering it somewhat.

J. B. FINLEY, President Fifth National Bank, Pittsburg: Mr. President, I wish to say that this is a recommendation, as I understand it, to the council to make this appropriation. It is more for the purpose of getting the sense of the convention. They cannot make an appropriation on the floor. The appropriation will be made by the council. Of course, it leaves it in the judgment of the council to act as they think best, and this is simply a recommendation, and it only received the approval of the convention.

THE PRESIDENT: The language of the resolution is, "Be it resolved that the executive council be directed," etc. That is an order to the council.

The question before the convention is on the reference of the matter to the incoming council, on the recommendation of the present executive council.

The question was taken, and the resolution was adopted.

THE PRESIDENT: The council have recommended the adoption of Mr. Cooke's resolution, in regard to the fidelity committee, continuing that committee.

The resolution was unanimously adopted.

THE PRESIDENT: The Secretary will resume the call of the States.

Delaware. (No response.)

DISTRICT OF COLUMBIA.

Milton E. Ailes, Vice-President Riggs National Bank, Washington: Mr. President, and Gentlemen of the Convention—This call of States has not proceeded very far before it is clearly demonstrated that the place which commands the use of the highest superlatives is our own home. I have the honor to represent a place which, next to your homes, should command your pride, and which, I am sure, does. The city of Washington is now, by common consent, the most beautiful capital of the greatest country in the world. (Applause.) Its affairs are stable, owing to its peculiar system of government, and we are without any of the problems which face other municipalities and which are so apparent in this beautiful city of San Francisco to-day, if we may judge from the signs we see upon the streets. We have no strikes in Washington, and we have the best paymaster in the world, Uncle Sam, who never defaults on pay days.

My message to you is one of greeting from the bankers of the District of Columbia, who command me to say that all is quiet on the Potomac, and, we hope, in the region about the headwaters of the Chesapeake, also of the Alleghany and the Monongahela.

FLORIDA.

John C. L'Engle, President State Bank of Florida, Jacksonville, Florida: Mr. President, speaking for Florida, it would, in view of the warm-hearted, generous and genuine hospitality which has been extended by California, be in bad taste to refer to those productions of Florida which come in competition with those of California. I will, however, say only that Florida's orange groves are recovering from the disastrous freeze of February, 1895, and that her orange crop this year will be about one million boxes. Florida's material and industrial development, however, has been during the past year greatest in the production of naval stores. This industry has quadrupled within that time, the forests of Florida affording new fields for the capital and labor which have heretofore operated in North and South Carolina and Georgia, until now Florida furnishes, I am reliably informed, one-half of the spirits of turpentine and rosin produced in the United States. The output marketed from Florida this year will amount to about $10,000,000, while the aggregation of the business into fewer hands, whose interests have been mutual, has resulted in controlling the market price so as to enable the producers to get some adequate return for their investment of capital, and labor to be better rewarded.

And while we have had these gratifying developments in the naval stores industry, our production and shipments of phosphate have steadily increased, until now Florida phosphate is a factor that has to be reckoned with in fixing the price of the world's supply of this fertilizer.

GEORGIA.

Col. Robert J. Lowry, President Lowry National Bank, Atlanta, Georgia:

Georgia's Resources.—From the Empire State of the South, rich in its resources, unexcelled in climate, where the hum of industry is heard, from the rugged foot of the Blue Ridge to the level pine forests of our southern boundary, from this great Commonwealth we bring greeting and good tidings of peace and prosperity.

Agriculture.—Georgia is a State of diversified industry, but in agriculture is it particularly prominent. The staples are corn and cotton, though our varied climate and soil make it possible to grow almost anything that is raised in any of the other States. In the southwestern part of the State we raise wheat, oats, hay and potatoes. Our fruits and vegetables, melons, sugar-cane, tobacco, etc., are all valuable products, yielding us a handsome return each year. The syrup made from our South Georgia ribbon-cane equals that of the best refineries of New Orleans. In the matter of raising cotton our product has increased about one-third in the last ten years. The present crop is estimated at about 1,250,000 bales. Last year the cotton crop of our State brought about $60,000,000, being 1,500,000 bales. The cotton seed about $8,000,000, besides the by-products, amounting to about $12,000,000.

We are manufacturing the staple right where the raw material is produced, and where, in 1880, the sound of the shuttle and the hum of the spinning-wheel were heard, we now have large cotton factories with the latest improved machinery. Georgia used something over 350,000 bales of the last crop in the manufacture of cotton fabrics in her factories. The total sum now invested in textile factories in our State largely exceeds $35,000,000.

In 1880 there were only two cotton-oil mills in the South. There are now about 125 in Georgia alone, with an annual output worth over $12,000,000. We have several hundred miles of coast. Along the coast we raise oranges, lemons, and other tropical fruits. The tourist is greeted by the scent of sweet magnolias and cape jessamine as he travels through the southeastern section of our State. Orange blossoms, too, may seem to be an impossibility in Georgia, but believe me when I say that we feel the kinship with Southern California in respect to this industry of growing tropical fruits.

Minerals.—The Piedmont region of our State abounds in minerals of all kinds, including gold, copper, lead, iron, coal, pyrites, manganese, ochre, asbestos, marble, granite, etc. Stone Mountain is a solid block of granite 1,686 feet above the surface. We have large granite, marble and slate quarries in North Georgia, and these interests are very prosperous. With our navigable rivers, and 8,000 miles of railroad, we have ample facilities for handling the product of our mines and manufactories.

Naval Stores, Lumber, etc.—The manufacture of naval stores, such as tar, turpentine, rosin, etc., is an industry in South Georgia which is yielding a large revenue each year. Nearly half of our State is covered with forests; the timber lands are being rapidly cut out and merchantable stock shipped all over the country, as well as to foreign ports. The product of superior hardwoods and long, yellow-leaf pine is increasing every year.

Manufactures.—Georgia is now among the foremost of the Southern States in her manufacturing interests. We have factories for the manufacture of cotton and woolen goods, sawmills, foundry and machine shops, tar and turpentine stills, carriage and wagon factories, brick, tile and terra-cotta works, tanneries, paper bag factories; besides flour mills, copper and ironware works, fertilizer plants, stove and furniture works, and, in fact, such a diversified list of manufactures as to make Georgia well nigh independent. We are rich in resources, and we have only to convert them into the manufactured articles of commerce, when the steadily increasing demand for our goods makes an ample market at profitable prices. Oriental countries are fast becoming customers for the Southern output, and when our proposed Nicaraguan Canal gets on a competitive basis with Europe, the exports of the Southern States will exceed those of any other section.

Schools.—The constitution of the State provides for the maintenance of a public school system, and it is therefore a permanent institution. The sum provided for and expended in the support of schools for the last fiscal year was about $1,500,000. A late census by the State School Commissioner showed that of the total school population only three per cent. had never attended school. We now rank seventh among the States in point of illiteracy, and in 1890 we ranked third, showing a most marvelous progress. There is not a district anywhere within the confines of our State where a school is not in reach for at least five months in the year. It must be remembered that the Civil War left us with a large population of illiterate people, the freedmen being almost entirely so. It must also be remembered that notwithstanding nine-tenths of the taxes are paid by the white people, the negroes are entitled to the benefits of the same common school system as the white children. While we have not compulsory education in our State (and I do not favor such enactment) there is, nevertheless, a growing sentiment in favor of education, which, to a certain extent, subjects a man who does not educate his children, to criticism. Our progress in matters of education has been rapid, and I am glad to say we continue to progress in this most important and indispensable feature of modern civilization.

Climate.—Our climate is unexcelled. In Middle and North Georgia the mean temperature in summer is seventy-five to eighty degrees. In North Georgia some of the finest specimens of men are to be found. Hardy, sturdy mountaineers and strong, able-bodied, industrious farmers comprise the yeomanry of our State. Georgia is a pleasant place to live in at any season of the year. We have essentially a temperate climate, have no long wet and dry seasons, and no direful epidemics decimating the ranks of our population. We live in a temperate zone, with a temperate climate, and with a people of temperate habits.

Morals.—We are a law-abiding and hospitable people. The morals of the State are good. Aside from some isolated examples of moral depravity, we have an industrious population, who earn their bread in legitimate ways, and augment their means only through the medium of honest toil. Our people endeavor to practice what we preach in our coat-of-arms—Wisdom, Justice and Moderation. We are, above all, a justice-loving people, and we believe, too, in wisdom and moderation governing in politics and religion, and in the handling of public affairs and issues.

Banks.—We have in Georgia forty-six National banks and 223 State and private banks. According to the State Treasurer's record the assets of the State banks are something over $50,000,000. These have an aggregate capital and surplus of about $12,000,000, and deposits aggregating about $38,000,000. Our National banks have an aggregate capital of about $5,000,000, and deposits of about $18,000,000. There have been only two or three bank failures in the past ten years. Notwithstanding we have many prosperous banking institutions, the circulation per capita is much smaller than we would like, and there is ample room for the safe investment of capital. Money is in active demand. I know of no section of the United States which offers a more inviting and profitable field for the safe investment of funds than does Georgia.

Idaho. (No response.)

ILLINOIS.

William George, President Old Second National Bank, Aurora, Ill.: Mr. President, Bankers, and Bankers' Guests—By reason of the absence of Hon. Andrew Russel, of Jacksonville, Illinois, and because through the good graces of the members of the Illinois Bankers' Association—the largest association of its kind in the United States—I happen to be its president, I am called upon to respond for Illinois.

First, we are proud of our Illinois Association, which, through the efforts of such men as John L. Hamilton, Andrew Russel, August Blum, E. J. Parker, F. P. Judson, F. W. Tracy, D. A. Moulton, and others, has to-day on its membership roll 900 banks out of 1,100. Soon we will annex the American Bankers' Association.

Californians, Illinois is glad to be here; she rejoices in your prosperity as well as her own.

A four-year-old boy said in my city recently: "Cats grow crossways, dogs grow crossways, too; all God's creatures grow crossways, 'cept peoples, and peoples grow upways." So Illinois and California are always growing upways.

Like the other States heard from, Illinois is prosperous; labor is employed at good wages. The wage-earner of Illinois is not dancing this summer of prosperity away, but is putting his money in the banks, where he can have it in days of adversity. It is no longer fashionable to hide it under the carpet or put it up the eaves-trough. Our farmers and stock-raisers are growing wealthy, and farm mortgage lenders have no place to put their money. Our manufacturing and mining interests are developed to a wonderful degree.

Since 1896 the deposits in the banks outside Chicago have increased ninety per cent. In the same time but two National banks outside Chicago have borrowed in New York, and one of these did it only to see if it could get the money. That gain of ninety per cent. represents wealth gained. How different from the wealth gained by corporate manipulation.

Last spring we were troubled somewhat by water from the heavens; lately we have feared the water from Wall Street; but we have good dams constructed, and it won't hurt us. If not sufficiently protected, we can dam Wall Street some more.

In 1896 we caricatured the long-whiskered Populist of Kansas because he wanted the Government to construct warehouses to hold his grain, on which he wanted the Government to issue warehouse receipts to be the basis of money. To-day he has all the money he needs, and the Populist is found in New York, and wants to build warehouses to store his undigested securities, against which to issue some kind of money.

Illinois has had its share of oratory on the question of elastic currency. I am reminded of the Lawyer O'Conner, who, in my presence, in the City Court of Aurora, said: "Gentlemen of the jury, the law is very intricate; why, the learned judge on the bench knows full well that the more he studies it the more stupid he becomes." But is it not our duty as bankers to read, study and consider, and finally decide the matter honestly and patriotically?

In closing, I quote the beautiful words that I found recently in an old manuscript, as befitting this occasion, and expressing the views of Illinois toward the Californians: "Happy have we met, happy have we been; happy may we part, and happy meet again."

INDIANA.

Andrew Smith, Assistant Cashier American National Bank, Indianapolis: Mr. President, and Gentlemen of the Association—The Indiana Bankers' Association sends greeting to this convention. Our association in the State of Indiana is in a most prosperous condition. With about 600 banks in the State we have a membership in our association of 417 in good standing. The people, as well as the banks in our State, were never more prosperous than at present.

Indian Territory. (No response.)

IOWA.

Fred Heinz, President Farmers and Mechanics' Savings Bank, Davenport, Iowa: Mr. President, Ladies and Gentlemen—The banking conditions in Iowa continue to be favorable. Since last year about twenty-five additional banks have been organized, so that at this time over 1,200 are in existence, of which over 700 belong to the Iowa Bankers' Association.

The deposits have increased some, although not so rapidly as heretofore.

The National banks, on September 7, 1903, had $28.80 of each $100 in deposit of cash on hand, redemption fund and due from reserve agents. So far as known, all the banks have sufficient funds on hand for all legal requirements; the interest rate is firm. The year past has been favorable for agricultural products and for business generally, although in spots crops have suffered from excessive rain; but the prices being reasonably high, this year's output of good things to eat for man and beast will be many times the value of all the annual gold and silver output in the United States. As the average soil of Iowa is good and deep, and the Lord's sprinkling-cans are, and have been for many years, in successful operation during reasonable intervals, we live in hope that the toil of our people and of our descendants will be abundantly rewarded for many generations.

KANSAS.

Edward Carroll, Cashier Leavenworth National Bank, Leavenworth, Kansas: Mr. President, I regret that I have been unable to prepare a speech, but the truth is I have been so busily engaged in enjoying the hospitality of San Francisco that I have been unable to do so.

I will say this, however, for Kansas. More history has been made in Kansas, probably, than in any other State in the last fifty years. Fifty years ago, when Horace Greeley crossed the continent and went through Kansas, he designated it as a part of the Great American Desert. That showed that poor, honest old Horace knew more about philosophy than he did about farming. That part of the Great American Desert, as he called it, the western half of the State, produced this year from thirty-five to fifty bushels of wheat to the acre—land that eight years ago you could have purchased from a dollar to three dollars an acre. That beats handling stock in Wall Street. Thirty years ago the western half of our State was the battleground for Indians; it was turned over to the howling of the coyote and the bellowing of buffaloes. To-day it is the garden spot of the world for wheat-raising.

Kansas, it is said sometimes, has peculiar people. In some respects that is true. They are all original investigators. They are intelligent; they are highly so. In fact, the State spends more for primary education, I believe, than any other State of its population in America. Indeed, it is said that she has a little red schoolhouse on every quarter section of her beautiful prairies.

Now, I know I have very little time to discuss the matter, it is such a great subject; it would require a book bigger than Webster's Unabridged to do it justice, and I would have to be endowed with the descriptive powers of Sienkewicz, or Marion Crawford, to do it justice. But, in reference to business prosperity, I will say I have never known, in the many years that I have resided there, a greater prosperity within the borders of Kansas than exists at present. Her banks are prosperous. We have 650 banks in the State, and 530 of those banks belong to the American Bankers' Association. That is good evidence of the good sense of the Kansas banker. We have $105,000,000 on deposit, or a fraction over $70 per capita. That is $70 for every man, woman and child in the State, a magnificent showing for a purely agricultural State.

A few years ago Kansas, it is said, was mortgaged for many times the value of her farms. I am glad to say that that condition no longer exists. She is practically out of debt, her farmers are out of debt, and the State itself is in the best financial condition of any State I know of west of the Mississippi River. By a wise provision of her constitution the bonded indebtedness of the State can never exceed a million dollars. That amount she has to-day in her sinking fund and her treasury vaults, to take it up when it matures.

Much is said of gold and silver. My friend from Arkansas has referred to the fact that that State has a million bales of cotton worth fifty million dollars. Kansas has 95,000,000 bushels of wheat, and we expect to realize $75,000,000 for it. I have not the statistics as to the corn crop, but I believe it is estimated at 80,000,000 bushels.

There is just one other idea. The granger of Kansas is not bothered with trusts, or labor strikes. He is utterly indifferent to organized operation on the one side that menaces this country——

THE PRESIDENT: The time of the gentleman has expired.

Mr. Carroll: A gentleman on the cars asked me if Kansas had any drawbacks. I suppose you gentlemen may have the same question in your minds, and I will answer you as I did the man on the cars. She has no drawbacks, at any rate none that a loyal Kansan will plead guilty to.

KENTUCKY.

Henry C. Walbeck, Cashier German Insurance Bank, Louisville, Kentucky: Mr. President, in the absence of Colonel Powers I have to say that our State is prospering in its manufacturing and mining industries; that its asphalt beds are inexhaustible; that the crops of wheat and oats and blue-grass are below the average, on account of drought. Our corn, hemp and white barley are all above the average.

LOUISIANA.

H. H. Youree, Vice-President Commercial National Bank, Shreveport, Louisiana: Mr. President, I do not know that there is much left to say. Originally, Arkansas, as well as many other States, belonged to Louisiana; they were part of our State. We are prosperous in Louisiana. In New Orleans, negro labor has received eight dollars per day for six hours' work. Even then they struck for more. That looks as though we ought to be pretty prosperous. Eight dollars for six hours' work is pretty good.

Louisiana raises more rice than any other State, and also more sugar. It also produces more sulphur than any other State in the Union. There is a general condition of prosperity all over the State. Our Iowa brothers have come down there and taken up rice-producing, and they find they can produce it about as cheap as they can produce wheat, and they get four cents a pound for it. So you see we have got a State, even after they have taken away Arkansas and all the other States, which amounts to a good deal.

THE SECRETARY: For several years we have had several members of our association in the Hawaiian Islands; but at this convention, for the first time, we have the pleasure of having one of those members present. Mr. Waity, of Hawaii, will respond to Hawaii.

HAWAII.

H. E. Waity, of the Banking House of Bishop & Co., Honolulu, Hawaiian Islands: Gentlemen of the Bankers' Association—I was not familiar with the method of this calling of States, and I have no speech prepared. I did not know that we would be called upon, but I thank you for this opportunity to be heard.

We have here two other bankers from Hawaii, in addition to myself, and it has not been my good luck to consult with them, but in hearing the alphabetical call, and in realizing that heretofore there has been nobody to respond for the letter "H," I felt that it was proper, now that we have a Territory of Hawaii in the Union, that the "H" should be added to the list.

I overheard the remark a few moments ago that, judging from the very favorable reports from the States and Territories so far heard from in the Bankers' association, it might be inferred that bankers are not as conservative as they are generally supposed to be.

I do not wish to attempt, gentlemen of the convention, to tell you of the grandeur of Hawaii. I only want to say to you now that we extend to you a most cordial invitation to come over to the islands and see us for yourselves, investigate and learn what Hawaii is—your new Territory over which, we are proud to say, the Stars and Stripes now wave. We say to you to come and see us, and learn for yourselves what we are and what we are doing.

Of course, we have to admit that sugar is king, and we can say that we produce a great deal of sugar. Our exports of sugar are growing at the rate of about fifty thousand tons a year. This present crop will probably reach 400,000 to 420,000 tons of sugar. The next crop will be still larger than that, because it is growing. But, as I said, I will not attempt to tell you, in this brief speech, how great we are, or what our resources are. I only wish to extend to you a cordial invitation to come to see us. Connecticut, on the one side, has given us a report of what she is doing. We are a long way from Connecticut; we are away on the other side. Our Island of Hawaii is the largest one of the group, and it is just about the size of the State of Connecticut. It makes about two-thirds of our area. I will not attempt to give you statistics or figures in regard to the islands, off-hand. We hope to be a State some time. We aspire to great things down there, and if you will pay us a visit and give us a call, we will all welcome you; and I can say that I am sure you will be interested in what you see, very much interested, and that we will give you the most cordial welcome whenever you come.

MARYLAND.

James R. Edmunds, Cashier National Bank of Commerce, Baltimore: Gentlemen, I promise not to consume over five minutes.

It is, perhaps, well known that the people of Maryland are a conservative people—that our banks partake of the conservative character of the people, and that very few failures have occurred among the banks of Maryland for over half a century. It is with pardonable pride, we think, that we point to the splendid record of the banks of our State, which, while conservatively managed, are ever ready to foster and encourage legitimate business.

Baltimore, our chief city, has become one of the great financial centers of the country, and its capital has been freely used, not only to build up business enterprises within our own State, but also those of other States.

During the last ten years the financial institutions of Baltimore, including trust and fidelity companies and Savings banks, have increased their funds as follows: Capital, $13,000,000; surplus, $23,000,000; deposits, $61,000,000; a total increase of $97,000,000, making the aggregate amount, at the present time, on these accounts, nearly $200,000,000.

Baltimore has been called the gastronomic capital of the country, contiguous as it is to splendid trucking farms, and being supplied with the delicacies of the Chesapeake Bay and its tributaries, such as the canvas-back duck, the diamond-back terrapin and the delicious oyster, all contributing not only to the enjoyment but to the prosperity of its citizens.

It has been my good fortune to attend a number of the conventions of this body and to listen to the delegates extol the virtues, the advantages and resources of their respective States in superlative terms. Mr. President, State pride is a laudable thing. We in Maryland believe in it, and have, perhaps, our full share of it. But of all the States of the Union, State pride is perhaps strongest in our sister State, Virginia. Many of its citizens have settled in Baltimore, and are among its most honored and useful citizens, but they never lose their love for, and their exalted belief and pride in, the Old Dominion. Let me give an illustration, which you, Mr. President, will, I am sure, appreciate.

When the noted evangelist, Mr. Moody, was holding religious meetings in Baltimore, a well-known sporting gentleman professed conversion, and, like others of his class, was put to work by Mr. Moody in the after meetings. One afternoon this new convert approached a gentleman who was in the act of leaving the room, and asked, "Are you a Christian?" "Sir?" said the gentleman. "Are you a Christian?" "No, sir; I am a Virginian."

The Maryland bankers enjoyed last month with the bankers of the District of Columbia the unique experience of a joint convention on board a palace steamer while sailing on the historic Potomac River between Washington and Old Point Comfort and return. It was our good fortune to have with us on this occasion the Secretary of the Treasury, the Comptroller of the Currency and the Treasurer of the United States. These distinguished gentlemen favored us with addresses on subjects of vital interest to bankers and to the country. Amid the fears and anxieties incident upon the financial situation it was a comfort to hear the strong words from the highest officers of the United States Treasury, showing that there was no occasion for alarm, and that the conditions did not justify the fears of a money panic. In listening to those timely words we felt a sense of security unlike the feelings of those gentlemen in Wall Street who, while trying to assure one another amid the falling of stocks that there will be no panic, remind us of the "darky" who was running away from a dog. His master said: "Sam, what are you running from that dog for? You know he won't bite." Sam replied: "Yes, massa, I know he won't bite—you know he won't bite; but do the dog know it?"

Massachusetts. (No response.)

MICHIGAN.

Reuben Kempt, President Farmers and Merchants' Bank, Ann Arbor, Mich.: Mr. President, Michigan is enjoying a period of great prosperity. Her banks are flourishing; her deposits increasing. Michigan's products are so varied that the word failure is unknown. Her citizens are industrious, progressive, prosperous, happy and patriotic. Our cereal crops are excellent, and very abundant. Our fruit crop was never better.

During the past six years Michigan has made great progress in the manufacturing and raising of beets and beet sugar. Her produce in this department leads all other States in the Union. We have manufactured in the last year nearly 4,000,000 barrels of salt. Our salt deposit extends over some 250,000 square miles, carrying a vein of from forty to 150 feet in thickness.

Our copper mines hold no mean position in the production of copper. One mine alone has paid nearly $100,000,000 in dividends, and has copper enough in sight to pay $1,000,000 or $2,000,000 more. Our iron mines are inexhaustible in mineral, supplying as they do the great steel mills of Pittsburg and other points with raw material.

Another infant industry that is being rapidly developed is the manufacture of Portland cement. Our marl beds are of vast extent, and are being rapidly developed, one mill alone turning out some 5,000 barrels of Portland cement per day.

Our coal beds extend over thousands of acres, and within the near future will produce coal enough to supply all of our home wants as well as those of neighboring States.

In the production of manufactured lumber we occupy a prominent position.

Our mineral springs are renowned and noted over the entire length and breadth of our land, their waters restoring the lame and worn-out in body and mind to health and happiness.

The annual tonnage passing through the Detroit River exceeds the tonnage of the great port of Liverpool, over three times the tonnage of the Suez Canal, and it also must be borne in mind that the Suez and Liverpool ports are open the 365 days in the year, while our ports are closed four and a half months, being icebound for that length of time.

But the great pride of Michigan is her educational system, which is unexcelled. The University of Michigan has just celebrated her semi-centennial, and it is one of the greatest and grandest educational institutions of our land. Her attendance numbers from 4,000 students, and graduates annually six or eight hundred, who are to be found in every State, filling positions of honor, of trust and of usefulness. It may be well to remember that it was the University of Michigan that first opened her doors to our daughters, placing them on an equal footing with our sons in obtaining an education fitting them for the earnest duties of life, sweeping aside the fossilized idea of woman's inferiority to man.

We believe Michigan to be one of God's best, greatest and brightest creations, a jewel in the diadem of States. If you wish to see a beautiful country, and a happy and prosperous people, come to Michigan and look around you.

MINNESOTA.

John R. Mitchell, Vice-President Winona Deposit Bank, Winona, Minnesota: One of the advantages derived from these meetings of the American Bankers' Association, and by no means the least advantage, is the opportunity offered of comparing the business conditions in other sections with the existing conditions at home. Voicing the unanimous opinion of the Minnesota delegation, a more interesting and hospitable city in which to hold a convention than San Francisco could not have been selected. While a prominent writer has made the statement that stories are almost the only thing in California which do not need irrigation to grow luxuriantly, it is our conviction that the stories or descriptions of this magnificent State have not been able to half describe what the eye can see.

Now, as regards business conditions in Minnesota, it would be a difficult matter to differentiate between the kind of prosperity existing there to-day and the prosperity elsewhere throughout the Union, as we have all kinds—industrial, agricultural and financial. But why should not prosperity exist, and continue to exist indefinitely, in this great country of natural resources, wealth, industry and boundless possibilities—in this wonderfully productive country? It is entirely a business proposition, in my judgment, staring the country, as a whole, directly in the face. If it is handled in a business-like way our prosperity will continue ad infinitum. Take the State of Minnesota, for example, and a continuance of the present prosperity there to-day is absolutely assured. Why? Because we are a producing State, and our continually increasing products are absolute necessities of life for not only the remainder of the Union, but for the entire world, and they are wanted at a price that affords the producer a fair profit. Such is the future of every agricultural State. The continuance of the prosperity existing in the United States as a whole unquestionably depends on its ability to continue to market abroad at a fair profit its surplus manufactures, which are rapidly increasing. A solution of this proposition does not rest with the American Bankers' Association, I admit; it is one of as much importance, however, as a revision of our present banking and currency law is to every member of this association. It is a question that must be decided by national legislation, but with the assistance of the entire business community, regardless of party or political prejudices.

In order to illustrate the existing prosperity in Minnesota I might quote statistics here which would rival the familiar and remarkable report on what the hens of our neighbor, Iowa, have been able to do; but I will not weary you with statistics.

However, to be brief, I can say that our combined deposits in National and State banks are approximately $135,000,000, as compared with $100,000,000 in 1901. The deposits in our Savings banks have increased from $14,217,000 in 1901 to $18,424,000 in 1903. The value of the farm products of Minnesota annually is about $165,000,000. The value of butter for the year ending September 1, 1903, was $17,500,000. Our flour mills have a daily capacity of 153,000 barrels of flour, which are capable of making 41,000,000 pound loaves of bread. Just think how many mouths each day that amount of bread would supply. The production of our iron mines last year amounted to 15,384,000 tons, which makes Minnesota the greatest iron-producing section in the United States and also in the world.

A State or individual country becomes known abroad largely by what it has done, is doing, and what it is able to do; and I dare say that no State represented at this convention is better known on the Pacific Coast by the men it produces than Minnesota. To the untiring energy, the almost superhuman foresight of only one man of Minnesota must be credited more than to any other one man the already enormous trade with the Orient, with its limitless possibilities.

The banking conditions in Minnesota were never better than they are to-day. While the demand for money is all that the banks could wish for, every demand from legitimate sources will be taken care of, and the large crop will be comfortably handled.

In conclusion, the only intelligent way in which to get a comprehensive idea of the enormous resources of the great State which I have the honor of representing is to make a personal investigation of it, and Minnesota is anticipating the time when it shall have the pleasure of holding the convention of the American Bankers' Association within its confines.

On behalf of the Minnesota delegation to this convention, I wish at this time to express our great appreciation of this most hospitable reception tendered by the bankers of the western metropolis, San Francisco.

MISSISSIPPI.

J. J. White, President McComb City Bank, McComb City, Miss.: Mr. President, I simply have to say that our State is forging to the front as fast as any State in the South. It is progressing financially, agriculturally and industrially. Three-fourths of the banks in the State of Mississippi belong to the American Bankers' Association, and I have this to say about the solidity of the banks in Mississippi, that we have not had a failure, not even in the panic of 1873, except one little one in the upper part of the State that did not deserve the name of a bank. Still, our banks have all been, and are still, good, solid institutions.

Of course, Mississippi is principally an agricultural State. We raised the largest corn crop this year that we have done for a number of years. There is not a farmer in the whole State but what has all the corn he needs, and some to spare for his neighbors. The cotton crop is not the largest that the State has raised, but it will be a fair crop. Of course, at this time, cotton is bringing a good price.

Industrially, we are making considerable progress. We are building up manufactures; not only oil mills, but cotton mills are being established all over the State. In other words, we are beginning to manufacture our cottons in the fields, as our Georgia neighbors are doing. We are making considerable progress in that line, and, on the whole, Mississippi is getting along well in every way. She has a great crop of fruits, and vegetables she sends North every spring.

I am glad to say that the State is in a progressive condition generally.

MISSOURI.

W. Daviess Pittman, Bond Officer Mississippi Valley Trust Company, St. Louis: Mr. President, and Gentlemen of the Convention—I count it a very happy privilege to appear before you in this convention to respond at the roll-call when the name of Missouri is mentioned.

I assure you, gentlemen, that we have the grandest of all the States in the Union, notwithstanding all that has been said to the contrary. We raise cotton in the south; we raise corn and wheat and hay and oats and all the fruits; and, indeed, my friends, we raise, better than any other State in the Union, everything. I am indebted to a Californian for this thought: that Missouri is one of the greatest States in the Union in which to raise children. I was talking to a Californian only the other day, when he reminded me that he had raised a family here in California, and he said that he regretted that he had not raised them back in Missouri, where he was raised. I am very much like the Presbyterian minister. It mattered not what text he preached from, he always concluded on the subject of predestination. I want to say to you that to Missourians, and especially one from St. Louis, it matters not before what convention he appears, it matters not what subject is being discussed, he will tell you concerning the enterprise we now have before us, which is the greatest and grandest the world has yet undertaken. I refer to the World's Fair, the celebration of the Louisiana Purchase, and I want to say to you that Missouri not only sends her greetings to you, but she sends as well a cordial and earnest invitation to come there and enjoy our hospitable board. I want to say we have had the experience from Chicago and Paris and Omaha, and all the other cities that have given World's Fairs, and I believe I speak the truth when I say that we will combine in this one the greatest and the grandest of all such achievements.

I want to extend to you, therefore, a cordial invitation. We have heard it on all sides that St. Louis has so many conventions going there that she ought not to seek any more. I am reminded of a gentleman who had raised nineteen children, or, rather, was raising them. He went out and adopted two more. He said he had found them so easy and so pleasant to raise, had found the nineteen so easy to raise, that he wanted two more anyway. And I want to say to you, friends, when we extend to you an invitation to visit our city next year in your national convention—I want to say that you will find it very easy and very pleasant and very hospitable to all concerned; and I invite you to come and share with us the glories of that magnificent exposition.

Our friends have been very frank here. They have said it is impossible to speak about the glories of California without lying; but I want to say to you that when you come to St. Louis, and witness the miles of its buildings that are now rapidly taking shape; when you see the men and women there from all parts of the earth, and their mode of living, and that sort of thing, when you return home you will be like the Queen of Sheba, who, after visiting the court of King Solomon, returned and told about it, and then said the half had never been told.

So Missouri sends you greeting, and an invitation to be with you next year and see the whole world, which will be within our domain.

MONTANA.

W. Lee Mains, Assistant Cashier First National Bank, Billings, Montana: Mr. President, I am told that Senator Vest, in one of his speeches, said that Montana was the daughter of Missouri, and so the remark of Brother Pittman, I think, will cover Montana. I will say that with a population of 250,000 we have in our banks $250,000,000.

Nebraska. (No response.)

NEVADA.

George W. Mapes, President Washoe County Bank, Reno, Nevada: Mr. President, it is said that Nevada does not produce anything but sage brush. That may have been true forty years ago, but it is not true to-day. While it is true that our State is small in population as compared with the Eastern States, yet we produce an abundance of livestock to supply the markets of this city, Chicago, and even New York. Our mines are just coming to the front. We have some of the richest mines in our State which have yet been undeveloped. They run up into the thousands in numbers.

As for our schools and universities, they will compare favorably with those of any other State of the Union.

I must contradict my friend from Missouri in regard to raising children. We had one mother in our State, that I know of, who had sixteen children, and, growing up, they weighed over 200 pounds each. I want to add another word, and that is that, traveling through the Eastern and the Western States, as I have, I believe that Nevada produces the prettiest and most generous and the brightest women of any of the States in the Union.

New Hampshire. (No response.)

NEW JERSEY.

John J. White, of Atlantic City: Mr. President, under the head of new business to-morrow—which, I understand, is the proper place to bring it up—I shall have a greeting from the State Bankers' Association of New Jersey, which I trust and hope will be acceptable to you.

New Mexico. (No response.)

NEW YORK.

Stephen M. Griswold, President Union Bank of Brooklyn: Mr. President, and Gentlemen—I have the honor to report to you that we held our tenth annual convention last month at Saratoga Springs. The attendance was large; every part of the State was represented, and in all respects it was one of the most successful conventions we have held.

The work of this American Bankers' Association, our State associations, and the group meetings, is producing good results. We are working for reform in the banking business all along the line. It is producing a friendly and a cordial feeling, not only among our country banks, but among the great banks of our cities. The past year has been one of depression; securities have fluctuated; some have declined. But we feel that that troubled condition of the financial world is about passing away. With the earnings of our railroads increasing, and the labor troubles being settled, we feel that we are on the eve of prosperous times. The unity and the strength and the friendship that exist among the banks of our great States will stand at all times against financial panic and ruin.

NORTH CAROLINA.

Joseph G. Brown, President Citizens' National Bank, Raleigh, North Carolina: Mr. President, it has often been my privilege, and it is always my pleasure, to say a word in behalf of my native State. Upon this occasion, however, with so beautiful an object lesson before us, I should say it is necessary only to say that North Carolina is but a miniature of this magnificent State of California, with all her natural beauty and natural wealth. You have heard and seen and felt of the golden glory of California's sunshine, of the vigor of her air, of the marvelous beauty of her fruits and flowers, and her fertile valleys, and the grandeur of her towering peaks, the fertility of her soil, and the sweet hospitality of her people. All these things may be found in North Carolina.

North Dakota. (No response.)

OHIO.

J. J. Sullivan, President Central National Bank, Cleveland: Mr. President, I only appear before you this morning because the gentleman selected to respond for Ohio does not happen to be in the hall; and not desiring that Ohio should appear in default, I am a sort of self-constituted substitute for the gentleman who is prepared to speak for Ohio.

Appearing before you, then, in this manner, and under these circumstances, it is needless to say to you that I have no statistics to give you of the magnitude of the State from which I come, or the success of its industries. Neither have I poetry at my command by which I might amuse you in speaking for Ohio. I will say, however, that business conditions are unusually prosperous. In the financial situation there are no weak spots. We have 810 banks in the State of Ohio, with aggregate deposits of nearly $450,000,000. Our banks have a good demand for money, and they are experiencing a high degree of prosperity. Of our 810 banks, 620 are members of the Ohio Bankers' Association. The interest which our bankers and our people manifest in the American Bankers' Association is evidenced by the fact that we have with us here 125 of the bankers of Ohio, and their friends.

We take an active interest in everything pertaining not only to the Bankers' Association of Ohio, but also to the American Bankers' Association. We have a high regard for the banking fraternity in our State, and we have emphasized that regard recently by nominating one on one of the tickets for the governorship of Ohio, the gentleman who served us so well as your president, Myron T. Herrick. Not only have we nominated Mr. Herrick, but we also expect to elect him.

I could talk to you at great length about Ohio, but I am sure it is unnecessary. Ohio has had an existence of more than a hundred years, and I believe that I can say truthfully in regard to its production and its general standing as a State, it is not surpassed by any State of the Union. If, indeed, a State is measured by the character of its great men, I believe that Ohio will not suffer by comparison with any of its sister States.

Now, my friends, I have talked much longer than I thought I would, and I want to say one word further, and that is this: that I am much delighted with the statements I have listened to regarding the business conditions in the different States of the Union. It is gratifying to us to meet gentlemen of intelligence and grand moral worth from different States of the Union expressing as they have the prosperous condition which seems to exist everywhere.

On motion the convention adjourned until Friday, October 23, 1903, at 9.30 o'clock A. M.

THIRD DAY'S PROCEEDINGS.

Friday, October 23, 1903.

The convention met at 9.50 o'clock A. M., President Caldwell Hardy in the chair.

Prayer was offered by Rev. Bradford Leavitt, Pastor of the First Unitarian Church, San Francisco.

THE PRESIDENT: We will resume the Call of the States that was unfinished at the adjournment yesterday evening.

OKLAHOMA.

H. H. Watkins, Cashier Citizens' Bank, Enid, Oklahoma: Mr. President, Ladies and Gentlemen—The bountiful crops, large bank deposits, good dividends and the general prosperity of our Territory are so well known that for me to say anything regarding our resources would be superfluous.

However, I will say that we have 39,000 square miles, a population of 600,000 and 13,000 public schools, more than 15,000 pupils, and more miles of railroads were constructed in Oklahoma in 1902 than in any other State or Territory.

While attending this convention and taking advantage of the many opportunities afforded us of seeing this beautiful city by the San Francisco bankers, my attention has been called to the many magnificent monuments erected to commemorate the daring and noble deeds prformed and discoveries made by her pioneers, and while I most heartily favor the erection of such monuments, yet I think one of our great men has been overlooked. I do not know who he was, or where he lived, but I am in favor of erecting a monument to the man who first discovered interest.

We are living in a Territory, although we have all the requirements of Statehood, yet through the actions of politicians, or otherwise, we are unable to get into the Statehood column. I would like to see this convention pass a resolution favoring immediate Statehood for the Territories.

OREGON.

Benjamin I. Cohen, President Portland Trust Company, Portland, Oregon: Mr. President, and Gentlemen of the Convention—As you know, Oregon lies immediately north of California, and has many of the natural and other advantages that California has. Oregon believes in sound finance and in stable values. We feel proud of our State. We would like to have you visit us, and we hope as many of you as can do so will pass through Oregon on your way home. I can assure you of a hearty welcome.

PENNSYLVANIA.

E. C. Emerick, Treasurer Susquehanna Trust and Safe Deposit Co., Williamsport, Pennsylvania: Mr. President—I wish to state that Pennsylvania speaks for herself, or, rather, her industries speak for her. The States of this Union, and all the civilized countries of this world, are bound together with an iron band. This iron band is manufactured in the State of Pennsylvania, where iron is vania's citizens have been prosperous beyond measure; her industries have king. We are proud that we hold the key to the king of industries. Pennsyl- increased, and her bank deposits have grown wonderfully in the last few years. I have not the statistics at hand, but I know that that is the case. Pennsylvania is enjoying her share of prosperity that it is the privilege of this country to enjoy, and we feel that it is unnecessary for us to say anything more for our Keystone State.

Rhode Island. (No response.)

SOUTH CAROLINA.

John F. Ficken, President South Carolina Loan and Trust Co., Charleston, South Carolina: Mr. President—I regret very much that the gentleman who was to speak for South Carolina is not here. I am now charged with that duty, and feel somewhat awkward in attempting to reply. But I cannot let the State go by default, and therefore I suppose I might occupy a few minutes in stating some things in reference to our State.

I am emboldened to do this because, after listening to the distinguished representative of Arkansas yesterday, and hearing what he had to say for that great State, I feel as if I might say a few words for our little State. It is a long way from here, over three thousand miles, and ought to be heard from.

Now, what shall I talk about? This is a bankers' convention, and I suppose we ought to say something about finance. Well, I can say to you that our banks are all in good condition. Our banks are healthy and prosperous. We are a small State, it is true, and when I think of that, and then think of the great States that have been represented on the floor here—great as regards population and finance and ability to cope with the world—I am reminded of an anecdote which possibly all of you have heard, but it is very forcible, and I will repeat it. It is the story of the raw recruit and his sergeant. The new man was a tall and strapping fellow who stood high up in the air, and the sergeant who drilled him was a diminutive man. Of course, the sergeant was glad to exercise his authority over the big fellow. He looked up at this great piece of humanity and said: "Hold your head up." The recruit raised his head. "Hold it higher." He raised it still higher. The sergeant said: "Higher than that." So he kept raising it. The sergeant said: "Now, keep it so." The great big fellow looked down at the sergeant and said: "Shall I keep it so?" "Yes," said the sergeant. "Very well, sir," said the recruit, "but if I keep it so I will never see you again."

So we are reckoned as a small State. South Carolina is an agricultural State. We plant cotton all over the State from the Atlantic Ocean to the Blue Ridge. Every county in the State has its cotton bales, which it sends to the market, and which is our main crop, and helps along.

Now, I do not want to boast, but I will tell you a fact about our little State. When the last count was taken South Carolina led all the States of the Union in the amount of capital invested in cotton factories, except Massachusetts.

That is what our little State is doing. When you remember that after the close of the Civil War we were actually prostrate—why, all over the country it was designated as the prostrate State—what have we done? Our people recognized the situation and turned their backs upon the past, and they have opened up this new field and gone into industries, not only to plant and grow the cotton, but weave it into cloth. That has brought prosperity.

One or two other facts I will allude to if I have time. If you look at your maps you will find that the shortest distance from San Diego, California, to the Atlantic Ocean is to Charleston, South Carolina. If you will look again at the map, you will find that the shortest distance from Chicago to the Atlantic Ocean makes you come out at Charleston, South Carolina. Indeed, we were so ambitious in our little State that we organized what we called "the three C's road," Chicago, Cincinnati and Charleston. We were so ambitious that we wanted to build a double track. It has not been built yet, but that is the shortest distance between these cities, and we hope to see it done.

Those are some of the facts that I wish to present to you. We do not say it boastfully, but we have a becoming pride in our old State. As you know, it was one of the original thirteen States. The city of Charleston is two and a half centuries old, and it is a beautiful city. At that point the United States Government has established a navy yard. We invite you all to come and see us, and if you come, I believe you will want to stay with us—will want to be a part of our community. I can assure you of a warm welcome.

South Dakota. (No response.)

Tennessee. (No response.)

TEXAS.

A. V. Lane, Vice-President National Exchange Bank, Dallas, Texas: Mr. President, Ladies and Gentlemen of the American Bankers' Association—Through deserts and o'er many a snow-clad mountain peak, along two sinuous bands of gleaming steel that bind the fertile fields of Texas to this lovely land of treasure, fruits and flowers, I come with greetings most sincere from the bankers of the Lone Star State to those of you assembled here in this city by the Western sea, with its ever-open Golden Gate, through which the traffic of the once-mysterious and legendary East is jostled, as it passes in, by the surging mass of surplus products of the greatest commercial nation in the world, seeking an outlet among the countless millions that lie just beyond our still more western boundary but late established by the prowess of our heroes' arms.

I come from a State whose history is unique, and withal most glorious; a State whose people have felt the benumbing influences of Mexican inanition, the crushing power of Spanish cruelty and despotism; a State of which it has been said, "Thermopylæ had her messenger of defeat, the Alamo had none."

But glorious as is the past, her people look not to the past; their path is onward, and their eyes are fixed upon the rising sun of future progress and achievement. A State whose climatic conditions and varied industries are such that it is almost impossible for any calamity to hurt all of it at once. A State whose resources have just begun to be understood and whose ultimate development is beyond the most vivid imagination of even its most loyal inhabitant. But I must not allow myself to be led into statistical detail.

About two years ago I had the honor of being called on at a banquet of the Louisiana Bankers' Association for a talk on Texas. I gave them a few plain, unvarnished facts. Reminded them that it is about the same distance from Chicago to Texarkana in East Texas, as from Texarkana to El Paso in West Texas, or from El Paso to San Francisco; told them that we raised almost one-third of the cotton crop of the United States; told them of our lumber, rice, oil, etc. You really cannot exaggerate in talking about Texas. But, do you know, I have had a painful impression ever since that about the only crop I convinced my hearers we raised in unusually large quantities was a long and virile list of lineal descendants of that aged couple made notorious by Holy Writ, one of whose names began with A and ended with S, the other with S and ended with A; so that, one beginning where the other left off, together they held a corner on the prevarication market. So I shall content myself with saying, "Come and see." You will find a hospitality as broad as the State's own vast expanse, and a citizenship so proud of their beloved land that the busiest one among them will be only too glad to take a day off, or a week off, to show you and to tell you something of its wonderful resources. Come, I say, and see for yourselves.

Utah. (No response.)

Vermont. (No response.)

Virginia. (No response.)

WASHINGTON.

Jacob Furth, President Puget Sound National Bank, Seattle: Mr. President, and Gentlemen of the Convention—I listened with a great deal of pleasure to the gentlemen who spoke on behalf of their States. I admired their loyalty to their respective States, and the description of their various resources was most interesting. I have been asked to respond to the call of our State. The State of Washington, although a young State, shows health and vigor.

Twenty years ago the State of Washington had only three small towns; the largest of the three had then about five thousand inhabitants. To-day that city has a greater population than the entire State had at that time. We now have five large cities—Seattle, with a population of 140,000; Tacoma, 80,000; Spokane about the same number, and Everett and Whatcom, each with 20,000. The cities of Seattle, Tacoma, Everett and Whatcom are situated in the western portion.

The resources of the western part of Washington are varied. We have timber that cannot be surpassed in any section; we have coal, iron, granite and other mining industries. Our salmon fisheries and salmon canneries are the largest in the world. We export lumber and flour to South America, Australia, China and Japan. Our fish is exported to England, principally. We raise hops in large quantities. I have known one field of hops to produce from fifteen hundred to two thousand pounds per acre. We have oats that are equal, if not superior, to those of any country.

The eastern part of the State is the farming section. The production of wheat and barley is marvelous. We export wheat to England, and the cattle that are raised in that section of the State are sent to Omaha and Chicago to be distributed all over the country. The fruit raised in that section is shipped East, and is said to bring the highest prices.

The limited time allowed me in which to describe our State compels me not to go further into details. What I have said will be sufficient to give you an idea of the prosperous conditions existing in the State of Washington, and if any one of you gentlemen doubt, I would advise you to visit us on your homeward journey. I am confident that any one visiting the State of Washington will be paid for his trouble, and the veracity of my statements will not be questioned any further.

WEST VIRGINIA.

E. M. Gilkeson, Cashier Second National Bank, Parkersburg, West Virginia: Mr. President, and Gentlemen of the American Bankers' Association—Our time is limited this morning, and I shall not tax your patience to any appreciable extent. I simply desire to submit a few facts and figures in reference to West Virginia, by the way, one of the best all-around States in the Union.

West Virginia's natural resources have but fairly begun to be exploited. In the production of white sand oils she ranks first among the States of the Union. In natural gas she produces the largest amount of any State and exports it very largely to Ohio and Pennsylvania.

She produces a great variety of woods, and in hard woods has the largest production of any State.

Her nearly 16,000 square miles of bituminous coal area are destined to make her the leading bituminous coal-producing State. Already she ranks third in the production of bituminous coals, and it is a question of but a few months until she will surpass Illinois and commence to overhaul Pennsylvania in the production of bituminous coals.

Her great variety and the wonderful richness of her coking coals have already made her the second coke-producing State of the Union, and she is destined soon to pass Pennsylvania and to take first rank in the production of coke.

She is rapidly becoming the leading glass manufacturing State, and is destined to the leadership in this particular industry.

West Virginia has a larger area of blue grass territory than her sister State which boasts of the distinction of being the "Blue Grass State"; and the value of the agricultural, horticultural and animal industry of the State last year exceeded the value of the combined output of her mineral products, great as they were. West Virginia is becoming one of the leading fruit States of the Union, while her long-fleeced wools have for many years been the premium wools of the country.

The iron industry has also been an important one in the northern panhandle, but is becoming more generally distributed over the State, and in pottery and iron working West Virginia is taking a very prominent position.

The value of her clay products exceeds that of any other Southern State and is rapidly increasing.

Her variety of climate and soils, and her nearness and accessibility to the markets, make her situation especially advantageous agriculturally, as well as in the marketing of her great mineral wealth.

Among her natural resources which I have not referred to, but which are worthy of mention, are her numerous and widely-distributed thermal and non-thermal mineral springs. Nature has been very prodigal in giving her every variety of springs for the healing and blessing of mankind.

As a State, West Virginia owes no debt, and has a cash surplus in the treasury.

We have a refined, hospitable and happy people. Those seeking new homes or capital seeking investments cannot find a more promising land than West Virginia.

Come and see us, and be assured we will give you the right hand of fellowship.

WISCONSIN.

John M. Holley, Cashier State Bank of La Crosse, Wisconsin: Mr. President—Wisconsin needs no encomium, although I assure you she is worthy of the highest that could be passed upon her. It is her misfortune, not her fault, that she comes last in the list of States, and therefore must content herself not with a statement of her resources and advantages and wealth, but must simply bear a message of greeting to you. It would require a book to tell all Wisconsin's merits and her greatness and prosperity; possibly all the world could not contain the books that might be written about her. You would need to get up early and sit up late, and be possessed of a past master's art in the use of the figurative and the embellishment of words and the superlative to do her justice, and to give her a proper place in the gallery of picture photographs that have been placed before us by her sister States.

Therefore, since the overwhelming hospitality of our entertainers has prevented the first, and the speaker is not competent to use the latter, Wisconsin's greeting must be in simple words—we say simply that she remains true to those things that make for the best in education, in morals, in commerce, in manufactures and in finance.

Wyoming. (No response.)

WILLIAM GEORGE, of Aurora, Ill: Mr. President, if it would be proper I wish to call the attention of the convention at this time to the serious illness of Mr. Frank W. Tracy, of Springfield, Illinois. He has done so much in behalf of the uniform Negotiable Instruments Act in the different States that we are all indebted to him, and inasmuch as his illness is very serious, I suggest that the secretary be authorized to send a telegram to him, and I would respectfully suggest the following form:

The members of the American Bankers' Association, assembled at San Francisco, California, send you greetings and wish to express their appreciation of your enduring and persistent efforts for the adoption of uniform laws. They regret your absence and hope for your speedy recovery.

I move that such a telegram be sent by the secretary of this association.

The resolution was unanimously adopted.

THE PRESIDENT: There is left over the report of the currency committee. There was a report presented by the executive council, and I think action will come up on the recommendation of the council, which will be presented by Mr. Pugsley.

C. A. PUGSLEY, President Westchester County National Bank, Peekskill, N. Y.: Mr. President, the currency committee, composed of men eminently qualified to deal with this intricate problem, and representing different sections of our great country, after much discussion and consideration have presented a valuable and conservative report, without a single radical feature in it. It may be said that there is nothing new in the report, but this question has been discussed for years by bankers in convention, by Representatives in Congress, and by the press. The discussions have taken a wide range, embracing almost every feature of the currency question. Some have favored more currency; others have held as tenaciously to the position that there was money enough for all practical purposes. We have had suggestions as to emergency circulation, supplementary circulation, elastic currency, and currency issued by clearing houses, and numerous other devices and suggestions as to the rate of tax to be applied to such currency, and whether it should be issued freely at the option of the bankers or under the authority and direction of the Comptroller of the Currencyy.

There is no doubt that our system can be improved, but I do not believe it will be revolutionized. It is essential that its volume should rise and fall with the varying tides of business and commerce. It is the most important measure before this convention. It is important, because it reaches, and should interest, all sections of our republic. A sound and stable currency is the life-blood of the nation's commerce and prosperity, and it is of vital import, not only to the banking and commercial interests, but to the people of the whole country, that our currency should be sound beyond question, and good beyond peradventure. The great essential of any currency is quality rather than quantity, and I am glad to say that the bankers and citizens of California have ever stood for quality and that they also have evidently been successful in obtaining quantity.

Wherever our flag waves, from the islands of the Atlantic to the distant islands of the Pacific, and from the sunny South to Alaska, with its eternal snows, we should have the best currency that the brain and skill of America can evolve. We want to see the world's standard the American dollar, and our currency system surpass that of any other nation on the face of the globe; but only by the most conservative legislation can this be accomplished. In its broadest sense it is a national question. What is of the greatest value to the people should be the aim of bankers and all legislation, and not what should be of the greatest value and assistance to the banks. The banks are the servants of the people, not the masters. The people are keenly interested in this question, and not only is it being considered and discussed by the President of the United States, by Representatives in Congress, by the press, by the banks, but by the people at large.

I do not believe that the bankers of this country, for selfish interests and purposes, will do aught to retard the general prosperity of the country. On more than one occasion they have shown themselves patriots, and I believe they will urge and favor only such legislation as will result for the country's good.

I have been instructed by the executive council to present this resolution:

Resolved, That the report of the currency committee appointed under resolution passed at the last annual convention of the American Bankers' Association, held at New Orleans, be adopted, and that the president of this association appoint a committee of three for the purpose of urging legislation along the lines recommended in the report.

I move, Mr. President, the adoption of this resolution.

G. W. Garrels, President Franklin Bank, St. Louis, Mo.: Mr. President, as I understand it the committee was appointed to investigate the currency of the United States. I do not find anything in the report covering that point. I expected they would have shown us the faults of our present currency as compared with the currency of other nations. My friend, Mr. McAshan, from Houston, said yesterday that sovereignty would be the only power that could create money. I do not believe in the statement. On the contrary, I know that labor, services and goods are exchanged for another commodity, for a general commodity, which is, by the survival of the fittest, gold; and that all other substitutes merely represent the gold in the exchange of commodities, of labor and services.

My friend Mr. Pugsley mentions that California and several other States adhered to sound money during the Civil War. That is, in other words, they did not recognize the legal-tender of our currency law, which was passed during the exciting times of the war.

Now, I consider this legal-tender clause the very commencement of the deterioration of our currency system. It was the entering wedge to upset the principle. Congress had no right, under the Constitution, to pass a legal-tender clause. The constitution forbids the invalidating of the obligations of contracts. Eminent legal talent, our Chief Justice, Mr. Chase, has given an opinion that the legal-tender clause was unconstitutional. Other eminent politicians have held the same thing. Daniel Webster, who was considered an expounder of our constitution, said that it was unquestionable that the United States had no authority to pass a legal-tender clause.

The legal-tender question at the present time is hardly thought of; but it is the principle involved. The child learns that every dollar printed by the United States is money. It was because of the greenback craze, it was partly the cause of our silver agitation. I have talked with eminent minds in the legal profession, merchants and bankers, upon this very question at the time, in 1896, when the silver agitation was going on. At the time the argument was always that the United States had the right to make money.

A legal-tender clause is the last refuge of a bankrupt government, and I consider it a blot on the laws of the United States. As long as we have the legal-tender clause in our laws we will have false ideas about the currency. It seems to me, what ought to be done first is to repeal that clause.

We had a very excellent recommendation of a perfect system of currency mentioned by the Comptroller of the Currency in his very excellent speech yesterday. He said that we ought to have gold with gold certificates and subsidiary coin in gold redeemable currency, and I would be in favor of the American Bankers' Association adopting a resolution to that effect.

EDWARD J. PARKER, of Quincy, Ill.: Mr. President, I will offer as a substitute for the resolution of the executive council the following:

Resolved, That the committee be continued, its report referred back to it, and the committee be, and it here by is, instructed to act in conjunction with similar committees appointed by the various State bankers' associations, to follow all proposed legislation introduced in the Congress of the United States affecting the present banking laws, and to take such action with reference to the same as they may deem best; and be it further

Resolved, That the president of this association shall have power to fill any vacancies occurring on the committee.

If that meets with a second I will venture upon a few remarks.

The motion was seconded.

MR. PARKER: Mr. President, we all realize the difficulties of this able committee, whose report is before us. It is chiefly the indisposition of the Congress which will shortly assemble, in special or regular session, to take up this question, with the Presidential election coming on next year. Therefore, your committee has wisely introduced here a moderate report. If it would press passage it would, I think, bring about a broad discussion and differences of opinion. It is best at this time that members of the American Bankers' Association should go before the country rather with a united front than to split up on the various recommendations of this report into factions.

How far do we agree with the committee? I think on several propositions, or suggestions, we agree perfectly. On one or two we shall differ. Bankers, like the community at large, confound credits and currency. We have just passed through the most remarkable liquidation in values of stocks and bonds which has ever been known, a shrinkage of many billions, without serious financial trouble. That liquidation involved no use of currency. The movement of the crops south and west and northwest, sent demand rates in New York city last year to fifteen per cent. This year one and a half per cent. For the same reason they are holding on to their moneys now. Those periodical changes in rates are to be expected.

Look at this question from the point of view of the public, not the banker. We are all borrowers, and we have large interests in one way or another, in the large corporations we represent. It is a hardship, and under our present monetary system the losses are simply frightful, and we should have reforms brought about as soon as possible.

We accept the figures of the committee as being accurate as to the different issues and amounts held in the Treasury of the United States, and also in circulation. Some of us would think that there ought not to be that quantity of money in Uncle Sam's vaults. What is this Government? It is a government of the people, by the people, for the people, and the money in the vaults belongs to the people. It is an awful responsibility to force upon the Secretary of the Treasury. I do not say, and I will not allege, that Secretaries of the Treasury in the past have gained a competency in a single day, or a single hour, with their knowledge of what would come about. I do say, and I know what I am talking about, because I know him intimately, that the present Secretary of the Treasury is an honest and incorruptible man, and would not take advantage of his official position. I do predict—generally I keep off the ground of making any predictions, either as to the weather, or any financial prognostications—but I will say this, that if our present currency system continues there will be Secretaries of the Treasury who will be corrupt, and who will bring disgrace upon our country, having such vast powers in their hands; and I will say right here that under a wise, scientific currency basis, we would not, as we ought not to, ever turn our faces to the city of Washington for any help, because as bankers of this country we can, as the bankers did before the Civil War, help the United States Government when they had to. That was notably so in one case.

You say get Uncle Sam out of the banking business. He is not in it. To prove it I will say that when there was danger of a silver basis, and Uncle Sam could not protect the coin in his Treasury, he had to call on the bankers, and they not only took the gold off the steamers going to Europe, but they guaranteed that they would keep the Government on a gold basis for six months—and it has remained there ever since.

Now, Mr. President, I think we will all agree that the law should be repealed which gathers into the Treasury of the United States, and keeps there, such an enormous amount of gold. That was passed during the exigencies of the Civil War when the Government was putting out United States bonds, interest payable in gold, and the Government had to have the gold in its own vaults. Bonds rose very nearly three billion dollars in a month. They have now receded to nearly one billion dollars. Hence there is no longer necessity for keeping that gold in the Government vaults.

I do not think we will dissent from the recommendations of this committee in that respect.

Secondly, as to the repeal of the limitation in the National Banking Law, restricting the contraction of notes to three million a month, what has transpired? The same this year as last year.

When the Secretary says, "I will accept your bonds for deposit in the United States Treasury," out they go, and the circulation is contracted. Notice is served on the Comptroller of the Currency that up to December, three million dollars a month would be withdrawn, at the very time of the year when there ought to be an expansion of the currency.

Now, we know that our friend, Mr. Whitney, of New Orleans, is a clear-headed man. He dissents from that conclusion of the committee. But that contraction ought to be rapid at times, just as rapid as the output of the currency at the beginning of the crop season, as it was in the banks of the Suffolk bank system. I knew a time when a New England bank note stood as well in the West as a Treasury note does to-day, but that output and contraction was as rapid as the tides of the ocean, and it can be again, and will be under an ideal currency. But we cannot come this year, or next year, or possibly in a generation, to ideal conditions. We will, however, some time. But before that the demand obligations of the Government must be retired, the people's money taken out of the sub-Treasury, expansion and contraction operating periodically and automatically like the tides of the sea. Now, we do not dissent from that.

Where we would dissent is on their suggestion about an emergency circulation. If there were ideal conditions there would be no necessity for the emergency circulation. Possibly, we may have to come to something like that, but not in the way suggested here. Their suggestion cannot be put into operation.

The interior banks of the United States are not going to buy bonds; or conduct correspondence with the Comptroller of the Currency or the Secretary of the Treasury as to the possibilities of putting out an emergency circulation, long before they would get to the crisis and beyond. The great strain is this awful contraction of credits.

Now, I say that clause should be inoperative. I say a uniform tax would be unjust. The only bodies, in my judgment, that should pass upon securities to secure an asset of credit currency, or emergency currency, as you may choose to call it, would be the clearing-house associations of the United States. You cannot practically impose this new duty upon the Comptroller or the Secretary of the Treasury, and they have not the force, nor have they the knowledge, to pass upon the vast amount of assets which we hold in our banks. They could not do it, and no gentleman cares very much to serve on the clearing-house committee to do it.

Now, if we have an emergency circulation, again, it ought to be in place of the present issues, for we have a credit issue. We had it in 1873, we had it in 1884, and we had it in 1893, and we possibly will have it again. I do not speak for the New York city banks. But suppose we do. They (the clearing-houses) are voluntary associations. They are not even incorporated. There should be a legal issue and all banks and bank houses should be allowed to participate in those issues, all members, whether they are National bankers, state bankers, or trust companies.

Illinois, Iowa, and I think Wisconsin, have recently appointed standing committees to take up currency reform and to appear in Washington. Other States will follow—New York also.

Now, let this National association affiliate with and act with us and get the benefit of our judgment, and let us adopt the trust idea, that in union there is strength. We cannot submit these questions entirely to the national association. Our State associations have opinions of their own. If an emergency circulation is ever to be put out, it should be regulated by clearing-houses in different parts of the country, taxing it ten per cent. in Texas and Colorado and a lower per cent. in some other States. It would be discreditable to associations in Eastern States to put out a credit issue at such a rate of interest, or even as high as six per cent. It should be graded differently over different parts of the country. Hence, I take it that would be inoperative. But we do not want to go into this, but simply refer it back.

Now, Mr. President, I have taken up a good deal of your time, more than I meant to, but I will simply say this: A preacher recently, in addressing a Sunday school, asked the scholars what he should talk about. A boy spoke up and said, "about two minutes." Now, I had intended not to make a speech, but simply to make two points. So, let us dispose of it.

Andrew J. Frame, President Waukesha National Bank, Waukesha, Wis.: Mr. President, the campaign of education on the money question, which for thirty years has agitated this country, is drawing to a close on sound lines. The report of the currency committee of this convention takes another step upward.

The comedy of sixteen errors to one truth has met its Waterloo. Branch banking in the United States has been relegated to the rear, and the rights of the individual banker who has borne the heat and burden of the day in our development are to be respected; but in commanding the world's commerce international banking is necessary.

Asset currency, with its first lien to rob the depositor, has not been considered by the committee, and is doomed to certain defeat. It seems evident that a life-line ought to be thrown out to the over-buoyant banker in the shape of a rubber currency every time he gets beyond his depth.

Political economists of all ages have wrestled unsuccessfully with the elastic problem, and thousands of our brainy citizens have racked their brains for years for a sound solution, but failed.

We are now considering the only reasonable problem, and that is relief in case of emergencies.

The committee report provides for the issue of additional National bank circulation on deposit of securities "with careful limitations" under a six per cent. interest rate, to insure its quick retirement as soon as the pressure for funds is over. If this measure is not abused or the door broken down, the measure of relief is of great value to the National banks, and indirectly to all banks.

Permit a suggestion, which it seems to me covers a wider field and is hedged around by the conservative business element and politicals will never enter in, to-wit:

Legalize clearing-house National bank notes on the same form as National bank currency, secured by clearing-house certificates issued on the same plan as heretofore, to any bank in the clearing-house to whom the clearing-house committee sees fit to grant it. Five or six per cent. interest to be charged from date of issue to date of deposit by the borrowing bank, of funds with United States Treasurer to redeem its borrowings, when the clearing-house certificates will be canceled and securities returned.

This will permit not only National but State, savings or any other clearing-house bank to get advances in times of financial stress. Country banks can get advances through their correspondents, thus serving all the banks of the country.

The conservatism of the clearing-house committee will prevent unnecessary issues, the rate of interest will prevent inflation, and redemption will automatically take place as soon as pressure for funds is over.

This remedy will provide all with the needful to loan to all solvent parties, with doubtless the same result as when in 1847-1857 and 1866 the Bank of England illegally issued notes on a deposit of securities in the issues department and thus relieved panic conditions at once.

It is far preferable to the clearing-house certificates issued in this country in 1873, 1884, 1890 and 1893, which gave relief on those dates, because it provides cash on National bank form of notes, which central cities can ship to correspondents, whereas certificates could not be so used.

As the Secretary of the Treasury is periodically importuned to give relief, he, doubtless, would hail the remedy with a sigh of relief. The remedy for trouble in the great centers would always be at hand. It would be a check valve on the bears against locking up funds. It would give relief practically to all when relief is most needed, and therefore, as the committee's report is a step in the right direction, I shall vote for it.

When a patient is seriously ill at times, bad tasting medicine may not be palable, but necessary to recovery. As between selling sound securities at panic prices to obtain cash, is it not far better to provide cash as indicated, in order to allay troubles and be able to loan to all solvent parties in their hour of need?

National banks ought not to monopolize benefits. State and Savings banks and Trust Companies fill a necessary place in our development. As the underlying principles of the report are eminently sound and only differ in details, I congratulate the country that our standard of value is to be maintained and therefore vote for the report.

MR. PUGSLEY: Mr. President, in speaking upon the resolution presented by Mr. Parker, I would say that I understand it is impracticable to continue that committee. They are widely scattered over the United States. They have presented a report after much discussion and consideration, and I believe that we are asking too much of that committee to ask them to have further meetings. They represent, I believe, the brains of this country, and I believe it is quite essential that the thought of the American Bankers' Association should crystallize around some proposition, and it seems to me we cannot have it crystallize better than around the report which has been so ably presented by the committee appointed at New Orleans.

I therefore hope that this Convention will pass the resolution submitted from the executive council.

MR. HUSTON, of Marshall, Mo.: Mr. President, the time is short, and we would like to have an opportunity to vote directly on this question, if possible. I now move that the amendment offered by the gentleman from Illinois be laid on the able.

The motion was seconded.

MR. PARKER: I want to first answer the gentleman on my left. The three-million dollar limitation in the National Banking Law was intended at the time as an inflation to keep notes out.

Replying to Mr. Pugsley, let me say that in his first statement, in introducing the committee's resolution, it was said that it was the most important matter, substantially, that would be brought before us. We have had standing committees in this house on uniform laws, and on fidelity insurance, continued from year to year. Are there not gentlemen in our country who are willing to serve on a currency committee? Is the question not important enough, and with the funds in the treasury of this associatiion, could it not pay the traveling expenses of these geltlemen? Let me say right here, when I propose a measure on financial legislation in Congress I want to meet one thing squarely, and that is that the bankers of the United States have no money to bribe a single Congressman in Washington. I am speaking now of the money in our treasury to be used to pay incidental expenses. That could be used to pay the traveling expenses of gentlemen, and such things. Moreover, we should be in touch with the State bankers' associations, and this would bring us together, possibly, in the city of Washington, and my substitute provides for the filling of vacancies by the president, if any of these gentlemen wish to step down and out. Others will take their place if any wish to step out.

And, Mr. President and gentlemen of this convention, if there is any one thing that the political parties of the United States need, and the American Bankers' Association and our various State associations need, it is some man big enough and wise enough and practical enough as a political economist to lead bankers and the customers of bankers on to a more solid ground in the matter of currency reform, and a practical working monetary basis, without these awful contractions, and without these great losses to all the people of this country.

THE PRESIDENT: In order that the convention may understand clearly the resolutions which we have before us, I will read them.

The president then read to the convention the resolutions offered by Mr. Pugsley.

THE PRESIDENT: Mr. Parker offers as a substitute the following:

The president read to the convention the substitute offered by Mr. Parker.

THE PRESIDENT: Mr. Huston offers a resolution to lay on the table the resolution of Mr. Parker, and we will first vote on that.

A DELEGATE: As a parliamentary procedure, would not the adoption of that motion lay the whole matter on the table?

THE PRESIDENT: I should hardly say so. If the amendment is voted down, you would then have the right to vote on the original proposition.

Mr. Huston arose and addressed the Chair.

MR. SULLIVAN: Mr. President, I rise to a point of order. A motion to lay on the table is not debatable.

MR. BIGELOW: I fear, Mr. President, that, technically, to lay this on the table would kill the resolution.

THE PRESIDENT: That may be possible, and if that be so, I will suggest that Mr. Huston withdraw his motion and let us take a vote on the substitute offered by Mr. Parker.

MR. HUSTON: I will withdraw my motion to lay on the table.

A DELEGATE: Mr. President, before taking a vote, will you read the report of the currency committee?

THE PRESIDENT: It has been printed and distributed. It was distributed two days ago.

MR. BIGELOW: Mr. President, I want to go on record as saying that in some respects I think the report of this currency committee, written by very able men, is taken too seriously. It should not be considered that that committee, because of the present exigencies, has sat down upon a credit currency under proper restrictions and redemptions. I think that it is unwarranted to come to such a conclusion. What the committee has done has been to sift the possible recommendations we can get at this time; that is perfectly clear. They want to get out of the ponderous operation of the sub-Treasury system, and they have said that currency could be retired when banks think it should be retired. There is a time when money may be in very great demand, when currency may be retired properly, the loaning power of the bank not being decreased thereby.

There are many things in the report of great value. Although I think there is some merit in Mr. Parker's desire that it should be further considered, yet, on the whole, I am strongly in favor of the report as made by the executive council, as recommended by them. It is on broad lines and I think it is all that can be expected at the present time.

The question was taken on the adoption of Mr. Parker's substitute. The motion was lost.

THE PRESIDENT: You will now vote on the original resolution as presented by Mr. Pugsley.

The resolution was adopted.

THE PRESIDENT: The motion is adopted by an overwhelming vote. We will now have an address by Mr. J. B. Finley on "Education of Bank Clerks."

EDUCATION OF BANK CLERKS.—ADDRESS BY J. B FINLEY, PRESIDENT FIFTH NATIONAL BANK, PITTSBURG, PA.

The American Institute of Bank Clerks is unique as an educational effort in the industrial world. It is the first concerted attempt, national in scope, made in the United States on the part of a single profession to benefit and uplift by educational methods the standard of efficiency of its employees. Without precedent, much had to be learned from experience. It speaks well for the wisdom and foresight of the founders that two years' practical conduct of affairs has demonstrated that no radical change of plan is necessary.

THE WORK AMONG THE CHAPTERS.

During the past year work among the chapters has been carried on with increasing enthusiasm and with much benefit to the members. Semi-monthly meetings have been held at which papers prepared by the members have been read and discussed and addresses have been made by prominent bankers and public men. Debates have been held by the chapters, and the judges on such occasions have been, in the main, bankers. One of the most interesting features of the chapter work for the past year has been debates between chapters of different cities. These gatherings have been largely attended, not only by members of the chapters taking part in the debates, but by chapter members from other cities. In November of last year a debate was held at Cleveland between Cleveland and Pittsburg chapters, on the question, "Was Secretary Shaw's action judicious in accepting security of other than United States bonds for Government deposit?" This debate was won by the Cleveland Chapter, for the affirmative side. A return debate was held between these two Chapters at Pittsburg, on February 21, 1893, the subject being "Resolved, That State banks and trust companies should be required to keep the same reserves as National banks." There were present on this occasion representatives from the Chicago, Cincinnati, Alexander Hamilton and New York Chapters. The winners this time were the Pittsburg men, who argued in favor of the affirmative side of the question.

The third debate, and the most successful yet held, took place in Cincinnati on May 30, 1903, between representatives from the Chicago, St. Louis and Baltimore Chapters, on one side, and Cleveland, Cincinnati and Pittsburg Chapters on the other. The subject was, "Resolved, That it is for the public good that National banks be permitted to issue currency based on their assets." Cleveland, Cincinnati and Pittsburg, for the negative side, were adjudged the winners.

In addition to formal debates between chapters, discussions have been frequently held between members of the same chapter on practical subjects relating to banking. Such discussions and debates have stimulated the interest of bank clerks in financial and economic questions, and attracted new members to the chapters and correspondingly increased the enthusiasm of the old members. The value of this training to the clerks from an educational point of view can hardly be over-estimated, and the advantage that must accrue to their employees is no less evident. The institute work has been supplemented by social reunions of chapter members, where closer relationship and fraternal spirit have been fostered that must go far toward making the bank clerks realize the all-important fact that the chapters are not a collection of isolated clubs, scattered about the country, but are parts of a homogeneous organization of which the American Bankers' Association is the head.

It is gratifying to note that bank officers and bankers of prominence throughout the country are taking increasing interest in the institute and urging, not only upon their employees, but upon their associates, the importance and value of the work in which it is engaged. There is now scarcely a State Bankers' Association that does not at its convention make commendatory mention of the institute. Chapter officers have been invited to address many of these conventions on chapter and institute work.

In the report of the secretary last year, mention was made of the book, "Industrial Methods in the United States in Relation to Banking and Currency," which members of the Chicago Chapter were engaged in preparing. This work is progressing in a satisfactory way, and there seems to be no doubt that the volume will be completed by December next and in press shortly thereafter. A prominent publishing house has offered to bring out the book. Several chapters are taking steps to procure libraries. St. Louis Chapter has established a library which at present contains two hundred standard works on financial and economic subjects.

There have been many instructive courses of lectures delivered before the chapters. Notable among them are "History of Banking in America," by Prof. C. Plehn, of the University of California, before the San Francisco Chapter; "Contracts," by Ralph Robinson, attorney at law, before the Baltimore Chapter; "Negotiable Instruments Law," by Thomas B. Paton, before the Alexander Hamilton Chapter, and "Banking Law Talks," by Prof. Leslie Tompkins, of the New York University, before the New York Chapter. Almost every chapter in the institute has enjoyed something of this sort. In addition there have been a number of addresses on various subjects by prominent men. Among those who addressed the chapters within the past year are: Hon. Chas. N. Fowler, of New Jersey, Chairman of the Banking and Currency Committee of the National House of Representatives; Hon. Lyman J. Gage, ex-Secretary of the Treasury; O. P. Austin, Chief of the Bureau of Statistics, Washington, D. C.; Milton E. Ailes, ex-Assistant Secretary of the Treasury; Harry Coope, LL.M., of the United States Treasury Department; James W. Sample, Chief of the Department of Issue, United States Treasury; B. E. Walker, General Manager Canadian Bank of Commerce, Toronto, Canada; and Hon. Bird S. Coler, ex-Comptroller, New York city.

To the fact that the chapters emphasize the attainments and accomplishments of their members is due the many promotions that have been made to official position from the ranks of chapters. No better evidence of the practical work of the institute could be found.

The institute now has on its list thirty chapters, twenty-five of them strong and vigorous—two in New York, one in Baltimore, Boston, Brooklyn, Buffalo, Chicago, Cincinnati, Cleveland, Denver, Detroit, Grand Rapids, Hampden county, Mass., Hartford, Kansas City, Los Angeles, Louisville, Milwaukee, Minneapolis, Philadelphia, Pittsburg, Providence, Richmond, St. Louis, St. Paul, Salt Lake City, San Francisco, Toledo, Topeka, Washington.

"The Bulletin" has now over 5,500 paid subscriptions, divided about equally between chapter members and non-chapter members.

"The Bulletin" in its general conduct has adhered closely to the policy laid down by its founders, and the fact that its subscription list has continued to grow is sufficient evidence that the policy is a wise one. "The Bulletin" has won a high place in the estimation of many, as is attested by the large number of highly commendatory letters that have been received. It in no sense pretends to encroach upon the field of the general banking and financial publications of the country. It is first and last a bank clerks' paper, the official organ of the institute. Its object primarily is education and it makes no attempt to gather and print news items, except so far as they refer to the work of the chapters and to the courses of study of the Correspondence School. In its columns preference has been given to addresses and papers prepared and read by chapter members, to special articles by institute men, and to addresses delivered by prominent men before the various chapters. The editorials have been brief and have been carefully restricted to the advancement of the institute work. In its "Among the Chapters" department have been printed news of the various chapters, reports of their debates and discussions, and notices of special work undertaken, etc., with the object of making this department as complete an official report as possible of all that goes on within the chapters.

In the "Collateral Reading" department there has appeared general information of educational interest, not only to students in the correspondence school, but to chapter members and to other subscribers. This has been a popular department. In the "Talks with Students" department has appeared matter relating to the different subjects of study of the correspondence school and of helpful interest to the students in the various courses. Difficulties met with by the students while pursuing their studies are here discussed and the way shown to overcome them. The correspondence department is an important one, for in it are printed, and where possible answered, letters of inquiry from members of the institute relating to their daily work

"The Bulletin" finds great favor with employees of country banks. Through it they are kept in close touch with their fellows in the larger cities and are made familiar with the practices and methods of city institutions and are thus qualified to render more efficient service to their own banks and to reap the larger rewards that such service commands. The proof of this is contained in such letters as the following:

"I enclose draft to renew my subscription for 'The Bulletin.' It would be impossible for me to get along without it. I think we get more information from 'The Bulletin' for the same money than from any other source I know of. It is certainly a very valuable publication."

"The Bulletin" is also appreciated in the city banks, as is shown by the following letter from the cashier of one of the most important banks in the city of New York:

"I expectantly await its publication and read it with increasing interest from month to month. In my opinion it supplies a long-felt want. Its proper use among the bank clerks of the country cannot but serve to minimize the tendency that is always more or less prevalent among clerical workers to confine themselves to mere machine-like performance of their duties. If your paper did no more than induce men to think, it would be worthy of their support, but it does far more than that, and I must join with its numerous other friends in wishing it long-continued success."

THE CORRESPONDENCE SCHOOL.

The correspondence school is an invaluable department of the institute. The good work it has accomplished is but the beginning of what can be done. The urgent need for such work has been demonstrated. Another year's experience has proved the undeniable truth of the statement contained in the secretary's report of last year, which is as follows:

"The correspondence school of banking does for the country bank what his city cousin gets out of the chapter. The two avenues of improvement and advancement which the institute opens to bank clerks are characterized by the way in which they are employed by the clerks. The young men in towns and villages and the smaller cities of the country take up the correspondence courses of instruction, while their cousins in the larger cities get together in chapter organization and give attention to essay reading, debates, investigations, etc., all more or less in the direction of study, under the auspices of specially-engaged teachers."

The proportion of chapter-member students to the whole number of students is about ten per cent., which supports the statement in the secretary's report that the correspondence school finds greater favor with the bank clerks in localities where chapter membership is not available. The number of students is at this date approximately 800.

In the conduct of the school the general policy as originally outlined has been adhered to. The favorite courses have been those relating directly to the practical operations of banking. Commercial law holds a close second place, and the remaining courses are about evenly distributed.

Experience has shown that it is perhaps advisable to revise the courses by combining those that are logically related. At present there are sixteen courses. Each of these is an independent subject that must be supplemented by one or more of the others to secure the comprehensive training that is necessary for efficiency in any department of bank work. It is this practical desire that animates the majority of the students rather than the desire for scholastic attainment in any one special branch. It would be in the interest of the students, therefore, if some such policy of concentration were carried out. It is feasible. It would better equip the students for the practice of the banking profession and would do so at a smaller expense than under the present policy. The plan proposed for such revision of studies may be found in the printed reports.

It has been demonstrated that bank clerks, especially those outside of the larger cities, are alive to the need of such instruction as the institute affords. Generally speaking, the institute is a success and its influence will in time reach a majority of the bank clerks of the country.

INTEREST IN THE INSTITUTE'S WORK.

The primary object of the American Bankers' Association is "to promote the welfare and usefulness of banks." How can this object be better attained than by maintaining an educational system, through which the bank clerk may acquire a thorough knowledge of the theory of banking? I have endeavored to show you what the association through its committee on education has done and is doing in this direction. The question arises, what, if anything, can be done to create a greater interest in the movement and make it more effective? I suggest for your consideration a closer alliance or affiliation between this association and the institute. This can be accomplished by providing for the appointment of the board of trustees by the executive council, and for an annual examination in such branches as shall be appointed by the executive council, the passing of which shall entitle the candidate to the certificate of the institute. These are greatly prized and sought after by the bankers and bank clerks of the United States, as are the certificates of the Institute of Bankers in London by the bankers and bank clerks of Great Britain. The value of these examinations is becoming yearly more appreciated, as is shown, not only by the increasing number of candidates, but by the fact that many of the leading banks and bankers of London and the provinces can now give prizes to those of their officials who pass them. It has been said by one of the leading bankers in Chicago: "The benefit of these examinations to the future race of bankers cannot be overestimated. To educate the clerk of to-day, who is to become the manager of to-morrow, is to lay a foundation of a better and more substantial system."

Never in the history of banking in this country were thoroughly trained bankers so greatly needed as at present—men of sound and healthy judgment with which to direct the use of trained faculties and powers. Education, in a broad sense, comprehends all that disciplines and enlightens the understanding, corrects the temper, cultivates the taste and forms the manners and habits.

Special or professional education aims to fit one for the particular vocation or profession in which he is to engage.

While the chief aim of the American Institute of Bank Clerks is the education of bank clerks in the science and practice of banking, its effect will be to broaden and liberalize them, enlarge their views, widen their outlook, quicken their sympathies, beget an increased public spirit, make them more efficient and better qualified to perform the duties of the positions they now occupy, and fit them to fill advanced positions when called upon to do so. What more laudable or profitable work could the American Bankers' Association undertake?

THE PRESIDENT: I now have the honor of introducing to you Hon. Ellis H. Roberts, Treasurer of the United States, who will address us on the Effects of the Inflow of Gold.

EFFECTS OF THE INFLOW OF GOLD.—ADDRESS OF HON. ELLIS H. ROBERTS, TREASURER OF THE UNITED STATES.

The discovery of gold in California lifted the production of the yellow metal in the United States from $889,000 in 1847, to $60,000,000 in 1852, and from 1850 to 1860 produced an average of $55,000,000 a year. The event marks an epoch. In twenty-one of each of the years since our mines have turned out less than $40,000,000, while in 1902 they gave $80,000,000. Out of this situation pregnant problems arise which call for thought. What place is more fitting for their study than just here where we stand, where we foregather with the home shepherds of the golden fleece? The American Bankers' Association, representing over fourteen billion dollars of resources, and all the activity of the nation's thrift and enterprise, meets on the Pacific Slope. We have from many points crossed the broad continent to look upon the waters of the new Mediterranean, the ocean of peace. Upon it the scenes are set for the grand drama of the future. The sea which was dominated in turn by the Phoenicians, the Greeks and the Romans was of waters dyed with blood; it is a little inland lake compared with the mighty ocean which connects the Occident with the Orient, which beats upon America and Asia and Australasia, and holds in its lap islands upon which nature has lavished its most precious treasures.

California has learned that there is wealth more precious than gold, because she has used her gold wisely. She clings to actual coin as currency, and has never wavered from fidelity to it as a standard. Under her sky, in her atmosphere, amid her gardens and her ranches, we cannot fail of a true perspective and of a healthful exaltation in our practical discussion.

MAGNITUDE OF THE COUNTRY'S GOLD STOCK.

In the United States at the beginning of this month of October, the gold in the stock of money was $1,277,362,651; the amount held by the Treasury was $654,-811,716; and in circulation in coin and certificates, was $1,016,648,693.

If this association could order this stock brought before it and could get the metal here in solid mass, we should have a cube of nearly sixteen feet, weighing 2,353.9 tons and requiring 147 freight cars to move it. Were it all coined into eagles and placed edge to edge, the line would be 2,116.84 miles long, say from New York to sixty miles west of Colorado Springs. (See table A at close of address.)

Of the world's production in 1902, amounting to $290,000,000, the United States furnished $80,000,000.

In gold in stock, in circulation and in official holdings our country surpasses every other nation. The stock of Great Britain is $528,000,000, so that ours is double. The increase in five years here has been $376,021,387. In that period Great Britain has added $90,000,000; France, $137,700,000; Germany, $95,000,000; Austria-Hungary, $55,300,000, while Russia lost $10,400,000, and in sevarl other countries there has been a reduction. In all of Europe the total gain in the same interval has been $449,600,000, from which is to be deducted the falling off in several nations of $26,000,000, and thus a net increase is shown of $423,600,000. (See table B at close of address.) At the present rate our gain before this calendar year ends, in stock of the yellow metal, will exceed that of all European countries. Remember also that their population is five times that of the United States.

Let us concede that some excess crept into the estimates of earlier years in our stock, and has been carried forward; but the methods of calculation in France and Russia render it certain that like excess in greater degree exists in their records. The ratio is therefore practically accurate.

An interesting comparison is that by persons. Our stock of gold is $15.80 per capita; that of France is stated at $24.36; of Germany, $13.54; of Austria-Hungary, $6.01; of Russia, $5.70; of Switzerland, $9.06; of Sweden, $3.42; of Norway, $3.73. (See table C at close of address.)

With greater assurance and accuracy, we can consider and contrast the holdings of the Treasury of the United States and of the foreign central banks. Let us take two dates five years apart and look at the totals and the changes in the interval, September, 1898 and 1903. The Bank of England in that period lost in gold, $2,264,000; the Imperial German Bank, $38,683,809, and Russia $132,240,000, while gains are reported in the Bank of France of $127,640,000; of Austria-Hungary ,$79,-120,000. The aggregate gains in all the European States were $261,867,000, and the losses $181,571,000. Thus the net gains in official holdings in those States for five years were $80,000,000, and were equal to that of one year of our Treasury. (See table D at end of address.)

The banks, National and other, own $322,000,000. Our Treasury holds now $655,000,000. A fair comparison with foreign official holdings permits us to combine these sums, and to reach as the treasure on which our financial system is based $977,000,000, hard on to a billion dollars. The public and private credit of the British Empire rests on $166,856,000 in the Bank of England; of Germany on $170,371,000 in the Imperial German Bank; of Russia on $404,396,000 in the Imperial Bank; of France on $494,506,000 in the Bank of France. Exclude the gold of the banks; our Treasury alone holds 3.9 times more than the Bank of England; 3.8 times than the Imperial German Bank, nearly three times more than Austria-Hungary; 62.1 per cent. more than Russia, and 32.6 per cent. more than France.

EFFECT OF THE LARGE SUPPLY OF GOLD.

This plethora of the precious metal in our country presents three problems interesting and important. What is to be the effect on our currency? What on prices and wages? What on our world relations?

Paths may be opened for our investigation if we look back to the decade following the discovery of gold in California and study the conditions from 1850 to 1860. In that period our country produced gold of the coinage value of $550,-000,000, an average of $55,000,000 a year. (See table D at close of address.) With population ranging from 23,000,000 to 31,000,000, activity marked all branches of industry. In the census years the value of manufactures produced ran up from $1,019,106,616, to $1,885,861,676—an increase in ten years of $766,755,060. In the decade our national wealth increased by $9,023,836,000. Imports of merchandise grew from $173,509,526 to $353,616,119, more than double; from $7.48 per capita to $11.25; and exports from $144,375,726 to $333,576,057, again more than double, and from $6.23 to $10.61 per capita. The money in circulation increased from $330,256,605 to $435,407,252, and from $12.02 per capita to $13.85. Of this, bank notes were, in 1850, $131,366,520 and in $1860, $207,102,477, and specie at the two periods, $154,000,000 and $235,000,000. Prices of food and clothing advanced, and up to 1855 a general increase occurred of eleven per cent., but in the sum of articles chosen for index there was a fall of 2.3 per cent. before 1860. Pig iron, a typical product, went from $20.88 in 1850 to $22.75 in 1860. In Great Britain from the decade 1848-1857 to 1858-1867 there was an advance in index prices from eighty-nine to ninety-nine. The panic of 1857 befell in that decade. Howell Cobb, Secretary of the Treasury, pronounced "the undue expansion of credit, which engendered schemes of improvident speculation, leading to rapid fluctuations in prices and habits of extravagance, the principal cause for the embarrassments in the commerce of the country." Others vehemently attributed the disastrous revulsion to the change in the tariff made by the act of March 3, 1857, reducing rates by twenty per cent. Looking back the student may ask, was not the shadow of the Civil War a contributing cause? It is certain that all branches of business were prostrated and that the distress was wide and intense. The banks suspended, but the Government kept on paying coin. While paralysis fell upon enterprise, the country was not exhausted as in the panic of 1837. Industry and commerce had been rushing on too fast, and the brakes worked suddenly with a severe shock.

STABILITY OF OUR CURRENCY SYSTEM.

To-day the contrasts with that period are many more than the parallels. No sectional strife disturbs the national serenity. Our huge railroad system binds all States together, and connects ocean with ocean and the gulf with the great lakes. Our industries are more varied and so have a broader base. Enterprise takes more extensive range. They cannot be so easily toppled over. From 1890 to 1900, the annual product of our manufactures grew from $9,372,437,283 to $13,-039,276,566. Our imports of merchandise ran up from $789,310,409 to $849,941,184, and our exports from $857,828,684 to $1,394,483,082. We are 82,000,000, with so many electric brains and hearts beating to many rhythms and with chameleon desires. To such, general and sudden change does not come so readily as to a smaller population with simpler methods and with narrower experience. The severest cyclone cannot cover a continent, but has a short and narrow path.

Our currency rests absolutely solid on its rock bottom of gold. Some ghost-seeing Macbeth may discern weird sisters on the blasted heath, casting their incantations together, with the refrain:

> "Double, double, toil and trouble,
> Fire burn and cauldron bubble."

He may dread the rush of United States notes for redemption, may suspect that some Secretary of the Treasury will use silver for official payments, may tremble at the hazard of wild legislation. He forgets that $260,000,000 of the United States notes are of denominations of $10 and below. How can they be gathered in any large volume? The silver dollars are scattered everywhere, while the silver certificates are all but $27,000,000 in $10s and below. The people need all small notes and clamor for more. They are beyond reach by any Secretary for large payments. The power of Congress is vast, but it cannot climb Niagara, nor can it overcome the majestic force of this yellow flood of $80,000,000 a year.

Some critics complain that gold is not a cheap currency. That is true, and it is its merit; it is secure beyond doubt. Cheap currency may be devised, if that is wanted, but it will have all the qualities of cheapness; it will be weak, unstable, dubious. Gold is worth all it costs. It goes masterfully everywhere. It stands sure and steadfast itself, and all allied to it takes on its strength and power. Our yellow metal passes in St. Petersburg and Pekin, in Hongkong and Tokio, and the United States note and silver certificate march with it in equal favor. The American people were urged to make fiat money, because it was cheap, and to coin silver at sixteen to one, because it was cheap. They rose above the temptation and declared not once but twice and always that they want not cheap money, but the best in the world. And they have it, and the annual inflow of $80,000,000 assures it to them and rewards their wisdom.

Possible peril lies on another side. Our circulation is undergoing an immense and continuous inflation. In five years, the money in circulation in this country has run up from $1,816,516,392 to $2,404,617,069, an increase of $588,020,677. The strength is that of this growth $358,604,872 has been in gold, coin and certificates, an annual addition in that form of nearly $72,000,000. We are to confront a further increase in our circulation, of which gold will constitute not far from $80,000,000 a year. That precious metal, including the certificates standing for it, is now 42.27 of the total, and its share advances steadily.

Since October 1, 1898, the circulation for each person in the United States has run up from $24.24 to $29.75 and the part of gold in it from $8.78 to $12.57. While nowhere else are checks and drafts and like instruments used to the same extent as with us, no other country has so much money per capita in circulation save France, which claims $39.22, where checks are much less used than here. Great Britain has $18.29, and Germany $20.48; Canada, $14.39; Russia has only $6.50. (See table C at the end of the address.) Differing from notes of National banks, gold is money of final reserve and redemption, and the credit built upon it is higher and broader, so that the potential inflation may be carried further.

In this country, cash is used for only ten per cent. of transactions; in some localities for less; in others for perhaps fifteen per cent. Cries for more money have been often heard in the land; no one has said how much. The due limit for circulation has not been established. Alexander Hamilton quotes Postlethwaite as supposing that the quantity of cash necessary is one-third of the rents to the proprietors, or one-ninth of the product of the lands. This really only names other unfixed quantities as the standard. We have passed far beyond such limit. The theory has been proclaimed that the circulating medium should keep exact pace with the population. Conditions vary in different countries and at different periods. In the same land at periods not remote from each other, large additions to the currency cannot fail to affect enterprise, industry and commerce, the cost of living and the price of commodities. But the currency is only one factor bearing on production and consumption. We shall err radically if we treat it as the absolute dictator.

THE INFLATION IN PRICES.

With due allowance, then, for contrary influences, how far and in what direction is the vast inflow of the yellow metal carrying us? The blind may see that in the past five years business has been expanded in some directions in an unparalleled degree. Credit has naturally been multiplied at least to four times the amount of cash added to our supply. The exploitation of gigantic industrial corporations ran on at a dangerous speed, fortunately to exhaust itself by its own excesses. Promotion of stocks and bonds is not industry; it is speculation, and that finds help and impetus in inflation. In that way the inflow of gold has magnified if not wholly caused the frenzy and the excesses in industrial securities. Those who have climbed too high into the realm of credit must come down, and here the descent, unlike that to Avernus, is not smooth and pleasant. The promoter who has failed to distribute his stocks and bonds may be punished, and those who have petted his schemes may suffer. But a shrinking of inflated securities to their new value is not a public calamity. Individuals may be crippled, industry and enterprise may have to rest on their oars. Our financial system cannot totter, much less be wrecked. Undue favors may have been shown by some banks to promoters, but they are correcting their blunders and looking out for more healthful business.

Prices of commodities have undoubtedly been borne upward by the inflation. Special influences have affected iron; Bessemer pig, which was $10.25 in August, 1898, cost $21.75 at the same time in 1903; steel billets in the same interval have risen from $14.75 to $34; No. 2 red winter wheat, which was seventy-four, became 74½; mess pork from $9.75 jumped to $18.25, and family beef from $11.50 to $15; cotton from 5 11-16 advanced to 8 9-16; Ohio fleece wool fell from twenty-eight to twenty-seven.

By index numbers, the advance of all commodities has been from $76,808 to $97,891, or twenty-one points. On full examination, the Employers' Association of Chicago finds that the cost of living in this country has increased fifteen per cent. in five years. Carroll D. Wright, head of the Bureau of Labor, with all the data of the Anthracite Coal Commission, declares the advance to be from fifteen to seventeen per cent. These figures may be accepted as authoritative.

Advance in wages follows increase in cost of living. In recent years it has come fast and strong. Large railway companies and other corporations have added fifteen per cent. at one step to wages paid, to meet the recognized advance in cost of living. The drift had been downward in wages from 1893 to 1898; since it has been steadily upward. In many cases it has exceeded the rise in cost of living. The general average may safely be stated at from fifteen to twenty per cent. Persons with fixed incomes are burdened with the heavier cost of living without any offset, as they have the benefit of a fall in prices of commodities, when that occurs.

When wages go up, the purchasing power of those who earn them rises in equal measure. This process affects prices of commodities, and adds always to the consumption which again gives impetus to production and trade.

No one can deny that the golden inflow contributes to the currency a share growing more rapidly than the total circulation, all at parity; that it lifts prices and wages, incites activity in industry and trade, and pushes enterprise forward, while it also tempts to undue inflation of commercial and stock-jobbing credit.

How do these influences bear upon our world relations? First of all, our surpassing wealth in gold has placed our national credit on a plane above that of all other countries, and never before held by that of any government. British consols bearing 2½ per cent. interest, long the foremost type of credit, have recently sold below eighty-seven, while consols of the United States bearing only two per cent. range from 108 to 110, and the loan of 1925 commands 136. This American Republic alone among nations always in time of peace reduces its debt, and after a war makes rapid payment of the cost. Only unbridled folly, not conceivable, can shake this solid structure.

Obviously the supremacy of our national credit adds to the strength of the republic in commercial credit, general esteem and international influence in all the world. We fear no evil from exports of gold, for we can well spare more than Europe can pay for in American obligations, in merchandise or in any form of securities.

The productiveness of Europe justifies this rank. In manufactures the American people are far and away beyond rivalry. Against our thirteen billion dollars of annual product, Great Britain shows $4,263,000,000, France $2,900,000,000, Germany $3,357,000,000, and Austria-Hungary $1,596,000,000. These four great nations turn out in manufactures $12,116,000,000 a year, or a billion dollars less than does this country alone.

The scale of living in the United States is such that we consume a great deal of what we make. We spend more than the same number of people anywhere on earth. Our agriculture helps to feed Europe, indeed many of its inhabitants would starve without our grains and meats. How much of the products of the farm shall be exported depends on the crops in all lands and on the purchasing power of our foreign customers.

INVASION OF THE WORLD'S MARKETS BY AMERICAN MANUFACTURERS.

But we invade the old world with our manufactures by reason of the skill and energy of American labor and the methods devised by American genius. We run electric roads beside the Pyramids; we furnish harvesters for Russia; we build bridges in the Soudan and in Burmah; send locomotives to farthest Manchuria, help Germany to load coal, sell shoes to Austria, scatter sewing-machines everywhere, and our watches keep time on the Danube, the Nile and the Orinoco. Our high wages have not yet checked our invasion of the markets of Europe and Asia. Increasing home consumption affects to some degree the exports of our merchandise, for we ship only what our own people do not use, but the more we make the more we shall sell.

The exports of our manufactures for the eight months ending with last August were $278,519,872, and 32.4 per cent. of our total exports; for the like period of the preceding year they were $279,532,992 and 34.79 per cent. of all. In the fiscal year 1903 they were $408,187,207 and 29.32 per cent. of all, while in 1902 they were $403,641,401, and 29.77 per cent. of the total exports.

Note now a remarkable contrast. Mr. Chamberlain, in opening his era-making crusade for his new fiscal policy at Glasgow, October 6, showed the trend in British exports of manufactured articles. He must have startled his hearers by declaring that since 1872 the export trade of Great Britain has increased only 7½ per cent., while her population has grown thirty per cent. Still more: to the United States and Europe—"protected countries," he calls them—the export of manufactured articles has fallen from a hundred and sixteen million pounds sterling in 1872 to seventy-three and a half million pounds in 1902; that is, from $564,000,000 to $355,000,000, a loss of over $200,000,099. Evidently the United States and not Great Britain has become the workshop, not only of Europe, but of the world.

Upon the marvelous golden inflow, American mechanism moves in triumph. Our agriculture is still dominant in our wheat and meats and fruit and cotton. The remarkable growth in our manufactures, now constituting nearly a third of our exports, further demonstrate how firm and rock-ribbed are our material and financial conditions. Predictions can prudently be based upon them. But the minds of men are a shoreless and chartless sea, and no one can tell when or why pallid fear may brood horribly upon its waves. The nerves of the multitude are a vast electric system which some accident may start into sparks or even flame and shock and far-reaching utterances. Into this mystic region our theme does not lead us, even if we had the courage to enter there. We have been studying what can be weighed and measured, a stream whose course and force can be quite clearly mapped.

This golden flood is without peer in its magnitude. It has brought to our people and our Government treasures richer than any before recorded in human annals. It has covered the continent and blessed all the inhabitants. Its sources and its current are not exhausted. It continues to spread itself over every valley and plain, fructifying as the waters of the Nile. Bankers may do much to direct it into right and beneficent channels. They can prevent its diversion for sinister and harmful purposes. The strippings of the surface of the mines have been brought to us. Riches from lower levels are within sight. If the American people are prudent, will let their common sense and cold reason govern, they shall see that the prosperity they enjoy is the earnest of more to come, of material achievement beyond the scope of prophecy, deserving to be adorned with moral and spiritual flower and fruit which shall glorify humanity.

Table A.—Space Occupied by Our Stock of Gold and Weight.

One cubic foot of standard gold is worth $326,340.

$1,000 of new gold coin weighs 53.75 Troy ounces.

The diameter of the eagle ($10 piece) is 21-20 of an inch.

The stock of gold is estimated at $1,277,362,651 (October 1, 1903), and if no allowance be made for abrasion, will weigh 2,353.9 tons (Avoirdupois weight).

Reduced to a solid mass, it would contain 3,934.2 cubic feet, and would fill a vault that measured 15.785 feet on all sides.

If coined into eagles, and placed edge to edge, it would make a line 2,116.84 miles long.

If placed on board freight cars, with sixteen tons to each car, it would require 147 cars.

With an estimated population of 80,831,000, this stock of gold gives a per capita of $15.80.

Table B.—Stock of Gold in Various Countries, as Shown by Latest Available Returns.

COUNTRY.	*Jan. 1, 1898.*	*Jan. 1, 1903.*	*Increase for five years.*	*Annual average.*
Great Britain	$438,000,000	$528,000,000	$90,000,000	$18,000,000
France	810,000,000	947,700,000	137,700,000	27,540,000
Germany	668,500,000	763,500,000	95,000,000	19,000,000
Austria-Hungary	227,700,000	283,000,000	55,300,000	11,060,000
Bulgaria	1,000,000	1,400,000	400,000	80,000
Denmark	15,300,000	15,500,000	200,000	40,000
Italy	96,500,000	101,500,000	5,000,000	1,000,000
Netherlands	21,900,000	38,500,000	16,600,000	3,320,000
Norway	7,800,000	8,200,000	400,000	80,000
Portugal	5,200,000	5,300,000	100,000	20,000
Servia	1,200,000	1,400,000	200,000	40,000
Spain	45,500,000 *	79,100,000	33,600,000	6,720,000
Sweden	8,600,000	17,800,000	9,200,000	1,840,000
Switzerland	24,000,000	29,900,000	5,900,000	1,180,000
Increase for five years	....	....	$449,600,000	....
			Decrease.	
Russia	$756,600,000	$746,200,000	$10,400,000	$2,080,000
Belgium	30,000,000	19,700,000	10,300,000	2,060,000
Finland	4,300,000	4,100,000	200,000	40,000
Greece	500,000	400,000	100,000	20,000
Roumania	14,500,000	9,500,000	5,000,000	1,000,000
Decrease for five years	....	....	$26,000,000	....

Table C.—Circulation of European Countries, Per Capita.

From latest attainable figures.

	In gold.	*Total.*		*In gold.*	*Total.*
Great Britain	12.69	18.29	Netherlands	7.55	29.29
France	24.36	39.22	Norway	3.73	8.91
Germany	13.54	20.48	Sweden	3.42	10.75
Austria-Hungary	6.01	8.72	Russia	5.70	6.50
Denmark	5.96	11.23	Switzerland	9.06	18.57
Italy	3.12	9.68			

Table D.—Holdings of Gold by Official Banks in Europe.

BANK.	*Sept., 1898.*	*Sept., 1903.*	*Increase.*	*Decrease.*
Bank of England	$169,120,856	$166,856,001	....	$2,264,855
Bank of France	366,865,969	494,506,107	$127,640,188	....
Austro-Hungarian Bank	142,184,531	221,304,087	79,119,556	....
Imperial German Bank	209,055,107	170,371,298	....	38,683,809
National Bank, Belgium	21,295,804	14,709,808	....	6,585,996
Netherlands Bank	20,984,348	19,187,636	....	1,793,712
Bank of Spain	51,526,502	71,265,026	19,738,524	....
National Bank, Italy	58,768,500	94,137,576	35,369,076	....
Imperial Bank, Russia	536,636,500	404,396,417	....	132,240,083
Total	$1,576,438,117	$1,656,733,956	$261,867,294	$181,571,455

Table E.—Financial Conditions in 1850 and 1860.

	1850.	*1860.*
Population of the United States	23,191,876	31,443,321
Wealth	$7,135,780,000	$16,159,616,000
Net ordinary receipts of United States	43,592,888	56,054,599
Customs	39,668,686	53,187,511
Imports of merchandise	173,509,526	353,616,119
Per capita	7.48	11.25
Exports	144,375,726	333,576,057
Per capita	6.23	10.61
Value of manufactures produced in census year	1,019,106,616	1,885,861,676
Increase in ten years, $766,755,060.		
Balance in United States Treasury	32,827,082	33,193,248
Total money in circulation	330,256,605	435,407,252
Per capita	12.02	13.85
Bank notes	131,366,520	207,102,477
Estimated specie	154,000,000	235,000,000

Average Prices.

Cotton upland middling	.11⅝	.11
Wool medium fleece scoured	.83¼	1.02½
Salt mess pork	11.87⅛	16.50
Sugar, refined,	.08⅜	10
Pig iron	20.84	22.75

Average prices, 1850: Food, 85.5; cloths and clothing, 91.3; fuel and lighting, 102.6; metals and implements, 114.8; lumber and building materials, 102.2; drugs and chemicals, 123.6; house-furnishing goods, 125.6; miscellaneous, 107.7. All articles, 102.3.

Average price, 1860: All taken at 100.

Average prices in Great Britain, 1848-1857, 89; 1858-1867, 99.

COL. ROBERT J. LOWRY, of Atlanta, Ga.: Mr. President, just a few moments on the line of our educational committee work.

The "United States Investor," published in Boston, offered a series of prizes, one thousand dollars in all, for suggestions for bank officers and bank clerks, the prizes to be divided as follows: $500 for the best suggestion; $300 for the second, and $200 for the third. A committee of gentlemen was appointed to read these propositions, and I am glad to report that there were some two hundred and over received by the "Investor" Company. They were thoroughly read and considered by a committee of bankers and others, and they arrived at the conclusion that the awards ought to be as follows. I take this occasion to say that the liberality shown by this publisher is along the line of the work being done by the American Bank Institute of Bank Clerks. It was open, not only to the clerks of the banks, but any one, and after thoroughly considering all the propositions, which are now published in book form, they have now arrived at this conclusion, and I hold certified checks of the American National Bank, of Boston, for those to whom the awards are made.

I hold a clipping showing the terms under which the prizes were offered. I will not take up the time to read this. Also here is a clipping from the "Investor" saying that so many essays were received. The names of the judges are contained in the circular, and we have just received a telegram from Mr. Odell, the chairman of the committee having it in charge, awarding the first prize of $500 to F. M. Farwell, No. 1 Nassau street, New York City, for Essay No. 105, entitled "Combining Small Banks," which you will find in the volume sent by express, as I am informed.

The second prize, $300, goes to Lancy Thomas, whose address was P. O. box 855, Denver, Colo. His essay was No. 94 in the volume, and it was entitled "Bank Collections."

The third prize, $200, is awarded to Richard C. W. Merrington, whose address is 59 William street, New York city. His essay was No. 150 and the title was "Bank Clerk's Holidays." (Reading):

I enclose herewith certified check for these amounts, and if there is any change in their addresses, I will advise you later.

It is a great pleasure to us to stimulate this competition, and we are under obligation to you and the other judges.

With kind regards, I am, Yours, etc., FRANK C. BENNETT.

That is the "United States Investor."

I think it is well enough, when gentlemen take so much interest in our welfare to offer these rewards, that they should have public mention of it made in our association, and I think that if we could have more of this it would add a great deal to the work which we are doing. These checks will be forwarded to the gentlemen named.

JOHN J. WHITE, Second National Bank, Atlantic City, N. J.: Mr. President, I would like to read a communication from the State Bankers' Association of New Jersey, inviting the association to meet at Atlantic City in 1904.

Jersey City, October 13. 1903.

Mr. James R. Branch, Secretary American Bankers' Association, San Francisco. Cal.

My dear Mr. Branch: The Atlantic sends greeting to the Pacific.

The New Jersey State Bankers' Association extends a most cordial greeting to the American Bankers' Association in convention assembled, and congratulates them upon the hospitality they are sure to receive in the great State of California.

Before that memory becomes a pleasant memory, our association cordially invites you to make our State the scene of next year's convention. Atlantic City, whose attractions and whose hospitality are world-wide, will be pleased to open her doors and her heart for this purpose. We heartily commend her charms to your consideration, and earnestly hope that we will have the privilege of welcoming t6 our State in 1904. Very sincerely yours,

E. C. STOKES, President.

Attached is also the following letter from Mr. Franklin Murphy, Governor of New Jersey:

James R. Branch, Esq., Secretary American Bankers' Association, San Francisco, Cal.

Dear Sir: I am informed by some friends from Atlantic City that you are to be invited to hold your next annual meeting at Atlantic City.

I am very glad to add my own request to that of the representative citizens of that place, that you should accept their invitation. The city, as you know, has many attractions, not the least of which are its excellent hotels and the public spirit of its citizens. I am sure that the people would be very much pleased if your association should decide to visit them next year.

I extend also the invitation of the board of trade of Atlantic City, and the city council.

Very truly yours, FRANKLIN MURPHY.

THE PRESIDENT: The invitation just presented will be received and filed with the executive council, who will pass upon the question.

LEWIS E. PIERSON, of New York: Mr. President, the New York bankers have for many years partaken of the generous hospitalities of other cities, and as next year's place of meeting for this association will no doubt be somewhat considered from a geographical standpoint, we feel that an opportunity should be given at that time for us to attempt to repay the many courtesies we have received in the past.

On behalf of the New York Clearing-House, as well as our group of the State Bankers' Association, I therefore, Mr. President, have been requested to extend to the members of the American Bankers' Association a most hearty and cordial invitation to hold their next year's convention in our city.

THE PRESIDENT: The invitation will be received and filed and will come up for consideration by the executive council.

E. F. SWINNEY: I wish to ask the incoming members of the executive council to meet immediately after adjournment in the press-room of the Palace Hotel.

A. H. WIGGIN, Vice-President National Park Bank, New York: I rise to offer a resolution of thanks. As an Eastern banker I much appreciate this opportunity. Never have we had a more successful convention, never have we had a more cordial reception, or more generous hospitality. We are deeply indebted to the city of San Francisco and its people, and especially to its bankers. At this time I want also to express thanks to the press for their uniform courtesy and consideration, and also to the telephone and telegraph companies. I offer this as a resolution.

The resolution was seconded and unaimously adopted.

F. D. MONFORT, Vice-President Second National Bank, St. Paul, Minn.: Mr. President, if it is in order I would like to move that the thanks of the convention be tendered to Mr. Ellis H. Roberts, for his very masterly and eloquent address.

The motion was seconded and unanimously adopted.

THE PRESIDENT: The next business in order is the report of the Committee on Nominations.

J. J. SULLIVAN, President Central National Bank, Cleveland, Ohio: Mr. President, the committee makes the following report, and desires to present for your approval the following list of officers for the ensuing year:

(A complete list of the new officers appears at the end of this report.)

THE PRESIDENT: Mr. Bigelow, your familiarity with the affairs of the American Bankers' Association and the important interests they represent makes it unnecessary for me to say anything as to the honor which has been conferred upon you. You will appreciate it without my saying anything further. It affords me the greatest pleasure to throw upon your worthy shoulders the mantle of office, and I therefore take pleasure in presenting you with the President's badge of office.

F. G. BIGELOW: Mr. Hardy, Gentlemen of the Association, Ladies and Gentlemen—It is difficult for me to find words to express how thankful I am for the honor that you have given me to-day. Not only that, and what it implies of work and effort, but the way in which it has been done, the kindness with which I have always been received by you, in the council and in the convention, would tend to touch any man's heart. To be chosen for president of this association in the city of San Francisco is another touch that we cannot all have—a city that has, it seems to me, gone beyond any possible expectations in the reality, in the unreserved hospitality and cordiality with which we have been received. I think the way they have conquered us shows only the way they are going to conquer the whole Pacific Ocean.

I want to call your attention to one or two things in regard to the business of the association. The dues have been doubled in some instances, and largely increased in others, and I want now to ask all the members that are here to bear that message to other banks not represented, and to urge upon the banks that they should be very glad that this is done, under all the circumstances. The circumstances will be set forth fully, as time goes on. But I think it is well to say a word about it. The cost of the protective committee has been all that the smaller banks have paid in dues to the association, and they are only asked now to pay in dues over and above that amount what they were before.

I think it is right to congratulate the association on the papers that we have had presented here this year, which I think are more thoughtful than usual, and upon the work of the association, upon its currency report, which is all that is to be accomplished, under the circumstances.

It was as good a man as Charles Reade who said, "When you don't know what to do, don't do it."

Mr. Hardy, it is my pleasure, too, though I have had poor success with buttons, having forgotten the vice-president's button a year ago, to present you with this button, that is to be fixed on you. You remember, probably, that ex-Senator Evarts said, I think, that the X's go before the Y's.

THE PRESIDENT (MR. HARDY): Mr. Swinney will please step forward and receive the sentence of the court.

Mr. Swinney, some very brainy man has said that a fellow ought not to expect to have hair and brains too. If that be so, there can be no doubt as to which you have. I have been trying, myself, to travel in the class with Joe Hendrix and Walker Hill, but I will have to step down and yield the palm to you.

The members of the American Bankers' Association appreciate your arduous duties as chairman of the council and what you have done for it, and, anxious that you shall not oxertax yourself for the coming year, we have promoted you to the innocuous desuetude of the vice-presidency, and I have, therefore, the pleasure of inducting you into that office.

I did intend to say a word or two about the pins, if it had not been for the words the new president has just uttered. You remember the trouble you got into in getting the chairman to serve last year. I think he has caught the vice-president's pin. The secretary has anticipated next year by having one for 1903 prepared, which the president will receive at the expiration of his term. I am going to present you with that pin, and advise you to hold on to it until you get the vice-presidential pin.

MR. SWINNEY: My friends, it is said that all things come to him who waits. As Mr. Hardy says, the duties of this office are not at all arduous. That is just the place I have been hunting for, and I want to say to you, briefly, that I thank you more than I can tell you for the honor which you have conferred upon me.

THE PRESIDENT (MR. HARDY): Mr. Bigelow, I retire in your favor.

COL. LOWRY: Just one moment, before you retire.

Members of the American Bankers' Association, Ladies and Gentlemen—I do not know why they should have selected me to present a souvenir to the outgoing president, unless it is because I am one of the "has-beens," the only one who is here. You are about to become a "has-been," and in recognition of the arduous duties which have fallen upon the shoulders of our retiring president, the association has prepared a lovely present, typical of people who come from Virginia, and has asked me to present it to you. (Presenting Mr. Hardy with a silver punch-bowl.)

It has been my pleasure to know Mr. Hardy for a great many years, and I have always known him to be a thorough man, a gentlemen among Virginia gentlemen, a good officer and a lover of this association. He has been at all of the association functions that I have been at, and there has been a good many of them, and he has held his end up at the banquet-board and the punch-bowl, and everywhere else. I can tell you that when the interests of this association have needed his services in any way, he has given them freely. He has been a great help in building up this association to the point it has reached now. I will not take up any more time, gentlemen, because I know that many of you want to get around to the many beautiful places in this dream of a country. Therefore, I present this punch-bowl without any further words, and I invite you, in the name of Mr. Hardy, if you ever land anywhere around Norfolk, Virginia, to come in and quench your thirst from it. Everybody knows Mr. Hardy in Virginia; he keeps open house, and this bowl will always be filled with champagne whenever any of you come to see him. Mr. Hardy, I present this to you in the name of the American Bankers' Association with the love and respect they have for you.

Caldwell Hardy: Members of the American Bankers' Association, Ladies and Gentlemen—It appears to become the practice of this dignified association to annually fill its president too full for utterance. Whether we believe half of the stories of California that we have heard since we have been here or not, we have certainly learned from the royal hospitality that has been dispensed to us that we have only to press the button and call for what we want, and, presto, we have it. If I had had any intuition that I was going to be presented with anything of this sort—of course, I had not any idea of it at all—I should have brought into use the pipe-line from one of these beautiful vineyards on the hills around here, and have connected that pipe-line from the vineyard to our meeting-place, and have invited everybody to join me.

I might add something as to the work of our association and the interest I feel in it, but it is growing late, time is pressing, and I hope the results speak for themselves. What more can I do than to thank you heartily for the many courtesies and kindnesses that I have received from your hands, which I do with all my heart?

The President (Mr. Bigelow): Gentlemen, I believe there is no further business to be brought before the convention.

A Delegate: Has there been a resolution thanking the bankers of California?

The President: There has been. We have here a telegram from the Chairman of the New Orleans Levee Executive Committee, inviting the delegates of this association to send delegates to the levee convention which meets in New Orleans, October 27. This is signed by Mr. J. N. Luce, Chairman of the New Orleans Levee Convention. There is no further business before the convention, and I therefore declare the twenty-ninth annual meeting of the American Bankers' Association adjourned.

OFFICERS OF THE ASSOCIATION.

PRESIDENT.

FRANK G. BIGELOW, President First National Bank, Milwaukee, Wis.

FIRST VICE-PRESIDENT.

E. F. SWINNEY, President First National Bank, Kansas City, Mo.

TREASURER.

GEORGE F. ORDE, Cashier Northern Trust Company Bank, Chicago, Ill.

JAMES R. BRANCH, *Secretary*. WM. GORDON FITZWILSON, *Assistant Secretary*.
Office of the Association, 20 Broad Street, New York, N. Y.

EXECUTIVE COUNCIL.

*MEMBERS EX-OFFICO.

FRANK G. BIGELOW, President First National Bank, Milwaukee. Wis.

E. F. SWINNEY, President First National Bank, Kansas City, Mo.

MEMBERS FOR ONE YEAR.

WM. G. MATHER, President American Trust Co., Cleveland Ohio.

E. F. SWINNEY, President First National Bank, Kansas City, Mo.

F. H. FRIES, President Wachovia Loan and Trust Co., Winston, N. C.

P. C. KAUFFMAN, Cashier Fidelity Trust Co., Tacoma, Wash.

JAMES M. DONALD, Vice-President Hanover National Bank, New York.

†JOHN L. HAMILTON, JR., Cashier Hamilton & Cunningham, Hoopeston, Ill.

†J. J. SULLIVAN, President Central National Bank, Cleveland, Ohio.

†RALPH VAN VECHTEN, Cashier Cedar Rapids National Bank, Cedar Rapids, Iowa.

†J. R. MCALLISTER, Cashier Franklin National Bank, Philadelphia, Pa.

†JOS. G. BROWN, President Citizens' National Bank, Raleigh, N. C.

MEMBERS FOR TWO YEARS.

JOHN S. WILLIAMS, President Richmond Trust and Safe Deposit Co., Richmond, Va.

W. T. FENTON, Vice-President National Bank of the Republic, Chicago, Ill.

D. SLOANE, President Lonaconing Savings Bank, Lonaconing, Md.

ARTHUR REYNOLDS, President Des Moines National Bank, Des Moines, Ia.

JAMES T. HAYDEN, President Whitney National Bank, New Orleans, La.

†A. H. WIGGIN, Vice-President National Park Bank, New York.

†CHARLES L. FARRELL, Vice-President Fort Dearborn National Bank, Chicago, Ill.

†A. V. LANE, Cashier National Exchange Bank, Dallas, Tex.

†LUTHER DRAKE, Cashier Merchants' National Bank, Omaha, Neb.

†A. A. CRANE, Cashier National Bank of Commerce, Minneapolis, Minn.

MEMBERS FOR THREE YEARS.

JAMES K. WILSON, President San Francisco National Bank, San Francisco, Cal.

J. D. POWERS, President National Trust Company, Louisville, Ky.

J. H. MITCHELL, Vice-President Winona Deposit Bank, Winona, Minn.

JAMES B. FINLEY, President Fifth National Bank, Pittsburg, Pa.

STEPHEN M. GRISWOLD, President Union Bank, Brooklyn, N. Y.

†W. K. COFFIN, Cashier Eau Claire National Bank, Eau Claire, Wis.

†H. R. DENNIS, President State Savings Bank, Sioux Falls, So. Dak.

†C. M. SAWYER, President First National Bank, Norton, Kan.

†MILLS B. LANE, President Citizens' Savings Bank, Savannah, Ga.

†WILLIAM LIVINGSTON, President Dime Savings Bank, Detroit, Mich.

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*The convention at New Orleans amended the constitution by providing that in addition to the president and vice-president, the ex-presidents should also be ex-officio members of the executive council. The ex-presidents now living are: Lyman J. Gage, Logan C. Murray, Chas. Parsons, Morton McMichael, R. M. Nelson, M. M. White, Jno. J. P. Odell, Robert J. Lowry, Joseph C. Hendrix, Geo. H. Russel, Walker Hill, Alvah Trowbridge, Myron T. Herrick and Caldwell Hardy.

† Nominated by their respective State bankers' associations.

Vice-Presidents (by States).

Alabama	W. H. Manly, Cashier Birmingham Trust and Savings Co. Birmingham.
Alaska	W. Hummers, President First National Bank. Juneau.
Arizona	J. M. Porter, President First National Bank, Globe.
Arkansas	John G. Fletcher, President German National Bank, Little Rock.
California	James K. Lynch, Cashier First National Bank, San Francisco.
Colorado	F. G. Moffat, Cashier First National Bank, Denver.
Connecticut	M. H. Whaples, President Commercial Trust Co., Hartford.
Delaware	Wm. R. Brinckles, Vice-Pres. Security Trust and Safe Dep. Co., Wilmington.
Dist. Columbia	M. E. Ailes, Vice-President Riggs National Bank, Washington.
Florida	J. T. Dismukes, President First National Bank, St. Augustine.
Georgia	John M. Hogan, Cashier Germania Bank, Savannah.
Idaho	W. F. Kettenbach, President Lewiston National Bank, Lewiston.
Illinois	Wm. George, President Old Second National Bank, Aurora.
Indiana	Mord Carter, President First National Bank, Danville.
Indian Ter.	F. S. Genung, President First National Bank, So. McAlester.
Iowa	C. M. Keck, President Citizens' National Bank, Washington.
Kansas	James T. Bradley, Cashier First National Bank, Sedan.
Kentucky	Henry C. Walbeck, Cashier German Insurance Bank, Louisville.
Louisiana	W. B. Rogers, President Interstate Trust and Banking Co., New Orleans.
Maine	Thos. H. Eaton, Cashier Chapman National Bank, Portland.
Maryland	Jas. H. Edmunds, Vice-President National Bank of Commerce, Baltimore.
Massachusetts	Robert B. Fairbairn, President National Rockland Bank, Boston.
Michigan	H. C. Potter, Vice-President State Savings Bank, Detroit.
Minnesota	D. S. Culver, Cashier German-American National Bank, St. Paul.
Mississippi	B. W. Griffith, President First National Bank, Vicksburg.
Missouri	J. B. Huston, Cashier Wood and Huston Bank, Marshall.
Montana	Alden J. Bennett, President Madison State Bank, Virginia City.
Nebraska	Geo. W. Post, Pres. First National Bank, York.
Nevada	T. B. Rickey, Pres. State Bank and Trust Company, Carson.
New Hampshire	Calvin Page, President New Hampshire National Bank, Portsmouth.
New Jersey	Frederick G. Egner, Fidelity Trust Co., Newark.
New Mexico	H. J. Anderson. President First National Bank, Alamogordo.
New York	Chas. H. Stout, Vice-President Liberty National Bank, New York City.
North Carolina	J. Elwood Cox, President Commercial National Bank, High Point.
North Dakota	H. B. Lyon, President First National Bank, Mandan.
Ohio	Thomas H. Wilson, Vice-President First National Bank, Cleveland.
Oklahoma	G. A. Nelson, Cashier the Capital National Bank, Guthrie.
Oregon	J. Frank Watson, President Merchants' National Bank, Portland.
Pennsylvania	R. C. Emerick, President Susquehanna Trust Co., Williamsport.
Rhode Island	F. Tompkins, President Newport Trust Co., Newport.
South Carolina	J. F. Ficken, President South Carolina Loan and Trust Co., Charleston.
South Dakota	H. J. Meidell, Cashier Beresford State Bank, Beresford.
Tennessee	C. M. Preston, Cashier Hamilton Trust and Savings Bank, Chattanooga.
Texas	Edwin Chamberlain, Vice-President Alamo National Bank, San Antonio.
Utah	L. H. Farnsworth, Cashier, Walker Bros., Salt Lake City.
Vermont	L. H. Bixby, Cashier Montpelier National Bank, Montpelier.
Virginia	J. B. Fishburne, Vice-President National Exchange Bank, Roanoke.
Washington	W. M. Shaw, Assistant Cashier Exchange National Bank, Spokane.
West Virginia	J. D. Baines, Vice-President Kanawha National Bank, Charleston.
Wisconsin	J. M. Holley, Cashier State Bank of La Crosse, La Crosse.
Wyoming	August Kendall, President First National Bank, Rock Springs.
Hawaii	H. E. Waity, Bishop & Co., Honolulu.

TRUST COMPANY SECTION.

The Trust Company Section met at ten o'clock A. M., October 20, in the California Theater, E. A. Potter, chairman of the executive committee, presiding.

THE CHAIRMAN: Gentlemen, I regret exceedingly that our chairman is not present. In his absence I will do the best I can.

It is evident that our numbers here this morning are hardly commensurate with the capacity of this room, and I would suggest that the gentlemen in the rear come forward. If they do so, they may be able to hear a little better.

The first business is roll call by the secretary. As this is rather a tedious proceeding, and as it has usually been dispensed with, I will ask what is the pleasure of the meeting in regard to the roll call?

Upon motion, the roll call was dispensed with.

ADDRESS OF WELCOME BY F. J. SYMMES, PRESIDENT CENTRAL TRUST COMPANY OF SAN FRANCISCO.

Mr. Chairman, and Gentlemen of the Trust Company Section of the American Bankers' Association—To me has been assigned for a few brief moments the pleasurable duty of extending to you a greeting from the trust companies of California, and from the citizens of San Francisco.

You find us here as a city fairly started in a career of great promise. But cities are not built in a day, or in fifty years. It is nearly two thousand years since the Romans first established their camp upon the bank of the Thames and started the foundation of the great city which has become the metropolis of the British Empire, and it is 240 years since New York first took over the little village of New Amsterdam and started upon her metropolitan career. San Francisco has had scarcely fifty years since she first took herself seriously and realized that she was to become a city of importance in the world. Her early life was a rugged and strenuous existence and for a few years the city consisted of a few shacks and tents upon the beach by the side of this beautiful bay, simply an abiding place for men who came from all parts of the world seeking, not San Francisco, but the nuggets and gold dust found in the hills beyond. San Francisco was a stopping place, a place to buy their picks and shovels, their pots and pans, and a place where they might stop on their return and gamble away a little of the dust which they had secured in the mountains.

It was twelve or fifteen years before we had more than one mail a month, and that going out through the Golden Gate, down around the Isthmus of Panama and to New York. It was not until 1858 or 1859 that we obtained the pony express, which gave us an opportunity to send a half ounce letter for five dollars across the continent. A little later the great railroad was established, and in 1869 we looked forward to a sudden development of the country. But the railroad interests were not purely and entirely in the interests of the country, and for many years their interests were rather to restrain our growth than to stimulate it, and, we may say, it has been only within the past very few years that the railroads have realized the importance of the development of the country itself, and that we have had what might be called a fair chance for the development of the city and the State. That time has come, the future of San Francisco is assured. It must be evident to you, as to all who visit us, that the opportunities of the future are remarkable. And while we have in the State a million and a half of people, and 155,000 square miles, only about ten inhabitants to the square mile, the opportunity is presented to us for that enormous development which has come to the Eastern States and to other countries with far less natural opportunities and attractions than we have here, and it is safe to say that the development here will be enormous in the future; and when the time comes that we shall have, as we shall naturally have, the inhabitants, not ten to the square mile, but one hundred or one hundred and fifty to the square mile, as you have in the Eastern States, San Francisco will be a city of five millions or six millions, and the State a State of twenty-five millions or thirty millions.

In the names of the trust companies of California, the citizens of the State, and the citizens of San Francisco, I extend to you a hearty greeting. We welcome you now for the day or week, and we shall welcome you again, as we have yet to learn of those who have visited us who have not been anxious to come again.

REPLY OF E. A. POTTER, PRESIDENT AMERICAN TRUST AND SECURITY COMPANY, CHICAGO.

In the absence of our distinguished chairman, Mr. Borne, of New York, it becomes my privilege to respond to the cordial welcome which you have so gracefully extended to the American Bankers' Association.

The name "California" is synonymous with all that is broad and generous. Our journey here has shown us that your State is both long and broad, and we have already experienced the generosity of the hospitality of your city.

But how could it be otherwise, living as you do in a climate where the sun always shines; on a soil abounding in all the rich and good things of the earth; with your river beds and mountains filled with gold, your valleys and hillsides yielding crops of grain and fruits unequalled in other portions of the earth; with a harbor not only of surpassing beauty, but of capacity sufficient to bear upon its bosom at one time the combined navies of all the nations of the globe? With your wonderful Yosemite, big trees, hot springs, roses in winter and snows in the mountains in summer, your State has become the Mecca toward which the tide of travel from the East turns yearly with ever-increasing volume.

Standing guard at the western gateway of this great and prosperous nation, the commerce with the Orient largely in your control, surely San Francisco is blessed above her sister cities with riches that are, and still more that are to come.

Your people are cosmopolitan, composed of the most enterprising from all lands—hence, broad-minded and liberal.

We accept your welcome, and thank you for it with the same sincerity with which it is tendered. We are glad to be with you, knowing that we will learn much from you and of you, and that when our visit is over we will leave with the knowledge that your hospitality is as boundless as are the resources of your magnificent State.

THE CHAIRMAN: The next business in order will be the reading of the report of the secretary.

REPORT OF THE SECRETARY.

To the Members of the Trust Company Section:

September 1, 1902—

Balance		$2,795.09
Received from sale of trust company forms		208.08
		$3,003.17
Expenses meeting of the executive committee New York	$144.00	
Buttons for New Orleans convention	40.00	
Proceedings, 1902	226.92	
200 programmes	10.00	
Reporting New Orleans convention	25.00	
By draft Beacon Trust Co., Boston, Mass., returned	12.00	
Other disbursements	25.83	483.25
Balance		$2,519.92

September 1, 1902, there were 414 members in the Trust Company Section, sixteen of these have withdrawn since that date; but as 103 members have been added to our rolls, the net gain is eighty-seven, making a total membership of 501, an increase of twenty-one per cent.

New York, Oct. 1, 1903. Respectfully submitted,

JAMES R. BRANCH, *Secretary.*

Upon motion, the report of the secretary was accepted and filed.

THE CHAIRMAN: The next business in order is the report of the executive committee, which devolves upon me.

REPORT OF THE EXECUTIVE COMMITTEE.

To the Trust Company Section of the American Bankers' Association—Your committee note with pleasure the growth in interest in this section of the American Bankers' Association as evidenced by the steady increase in membership, which at present numbers about 500, as against 114 in 1897. While the trust company is essentially an American institution, no similar organization existing in other countries. it is manifest that trust companies have become permanent and very important factors in the financial affairs of the United States. Their aggregate capital amounts to nearly $200,000,000, and their combined deposits to more than $1,500,000,000. That it is wise for officials of companies having in their charge such vast sums of money to maintain an organization or association and meet together at least yearly, needs no argument.

There is now hardly any important corporate enterprise undertaken that the services of a trust company are not enlisted, and in the older cities the trust companies are charged with the administration of estates, the responsibility of which is far greater and more sacred than any other that can be undertaken in a business capacity. The opportunity to meet together and compare notes as to methods in vogue in different sections of the country in the conduct of this very important business, and the influence that combined effort can exert in bringing about uniform laws in the various States, can be made of incalculable benefit, and your committee express the hope that each member here present will leave this meeting with renewed zeal and a determination to interest others actively in the work.

Respectfully submitted,
EDWIN A. POTTER,
Chairman Executive Committee.

Upon motion, the report of the executive committee was adopted.

THE CHAIRMAN: The next thing in order is the paper on Escrows by Mr. Philip S. Babcock, Trust Officer of the Colonial Trust Company, of New York City.

ESCROWS: A VARIED AND PROFITABLE FEATURE OF TRUST COMPANY BUSINESS.—ADDRESS OF PHILIP S. BABCOCK, TRUST OFFICER COLONIAL TRUST COMPANY, NEW YORK CITY.

The dictionary defines an escrow as: "An instrument under seal, placed in the hands of a third person for delivery to the grantee on some condition, the instrument being of no effect until delivery." Black's Law Dictionary enlarges this definition by stating: "A grant may be deposited by the grantor with a third person, to be delivered on the performance of a condition, and on delivery by the depositary it will take effect. While in the possession of a third person and subject to condition, it is called an 'escrow.' "

This definition and explanation cover the strict legal use of the word, but it is commonly the practice in trust company work to carry under this head various forms of business which, perhaps, do not conform absolutely with this strict legal definition, and yet which justify my sub-title and are properly within the scope of trust company functions.

The simple form of escrow, and perhaps the most common, is the one of our definition: A, the grantor, sells to B, the grantee, certain property, real estate, securities, or what not; but for one reason or another cannot immediately give clear title and consummate the bargain, or B is not ready on his part; both parties, however, desiring that the bargain shall be binding, seek the services of a trust company, A depositing his deed or securities with proper assignments, and B depositing such part of the consideration as may be agreed upon, usually to become forfeited if he fails to carry out his part of the agreement when the proper time arrives.

I need only point out in this connection that care should be taken, in such an escrow, that the position of the trust company does not become one of stakeholder, since a stakeholder must decide whether an agreement has been properly carried out and be the sole judge of its fulfilment or non-fulfilment, an entirely unnecessary and undesirable position for the trust company, unwarranted by any charge it could reasonably make for its services. I venture to suggest, therefore, that in such escrows (and perhaps in all escrows) the instructions to the trust companies should be in writing and signed by all parties to the agreement. If either the grantor or grantee refuse to join in such instructions the trust company simply sits still and permits them to fight it out; if made a party to any suit, it admits the facts of which it has knowledge and prays the honorable court to instruct it as to its (the court's) wishes, counsel usually asking for a proper allowance to cover their duties in the premises. Such is the simple escrow.

Next is one somewhat more in vogue a few years ago than at present: Some wonderful El Dorado, needing only a few dollars for development to make its shareholders "rich beyond the dream of avarice," or some embryo Standard Oil Company needing a small amount to dig a hole in the ground and enrich the rest of the world; some such enterprise is capitalized by philanthropists who desire, out of love for their fellow-man, to let him in on a good thing by selling him a few shares of treasury stock at ten cents on the dollar (going to twenty cents next week); being philanthropists, or perhaps because they know each other too well, they do not ask that the money shall be paid to themselves direct, but to a trust company, who will hold the stock in escrow and deliver it as sold.

Seriously, gentlemen, I do not mean to intimate for one moment that all enterprises brought out in this way, through the intermediary services of a trust company, are of the character sketched above; far from it. But I do want to point out the dangerous features of this kind of escrow and to show the need of very great caution when such a proporition is brought to us. One particular objection to this form of escrow is the very real responsibility put upon the trust company.

In the State of New York, and I believe in most others, a company cannot issue its own stock for less than par; such stock is often sold, rightly and properly so, by owners who have received the stock at par for property purchased, and in other ways; but when a trust company accepts payments for so-called treasury stock it should be very sure of the bona fides of the proceedings; should have a very intimate and exact knowledge of the transaction; should, in fact, be prepared to accept the moral responsibility entailed as being a very real and legal responsibility; and that, I opine, is outside the proper functions of a trust company.

Again, in this form of escrow there is always the danger of the trust company being held liable for the representations and promises contained in circulars and prospectuses, even when its services have been limited to distributing such papers. One or two recent cases in the New York courts illustrate this danger.

DESCRIPTION OF CERTAIN FORMS OF ESCROW.

Doubtless each of you here can recall various other forms of escrows which I have not touched upon, but I wish now to take up two very interesting forms with which it has been my good fortune to have had more or less to do in my trust company experiences and which formed the original idea of this paper.

First: That of depositary under a plan of reorganization of some bankrupt property; or,

Second: Of the securities of companies which some captain of finance is to weld into one harmonious whole.

While the causes and the results are very different, the details of the work, from the trust company point of view, are largely the same; and, so that my paper may not run on to too great length, let me briefly outline a reorganization:

A railroad, let us say, is unable to meet its fixed charges; its earnings have decreased, its expenses increased; some of its largest creditors and those most interested in its welfare have for some time seen the inevitable; they have consulted together and have determined to try to put the road on its feet again, save all that can be saved from the wreck and put it in such condition as to weather any future storms. To this end the co-operation of all interested parties is necessary. A committee is formed, a call issued to security holders, a trust company named as depositary to receive deposit of securities and issue receipts therefor.

A cynic might find food for thought in the fact that all the large trust companies in New York have an engraved plate of such a receipt at their bank-note company, with some hundreds of certificates already engraved and needing only the printing on them of the name of the road and the class of security to be immediately available.

Securities begin to come in for deposit by mail, express or over the counter; as received they are ticketed, the ticket showing the class of security, amount, name and address of the depositor. As received over the counter, they are examined for endorsement and a temporary receipt given, which must be exact as to the class and amount received, but which allows for more careful examination after the rush is over and before delivery of the formal certificatee of deposit, by stating that the securities mentioned in the receipt are received "for examination." This sounds very simple, but we must not lose sight of the fact that we are dealing with an escrow, the parties thereto being the reorganization committee and the depositors, and, like the deed in our first illustration, the securities deposited must be a good delivery to one party or the other. Securities (I use the word in its broad meaning) being thus deposited, become the "grant" of our legal definition, the reorganization agreement setting forth the "condition," and the certificate of deposit being the trust company's acknowledgment of the obligation. Thus, the theory is simple, the details multitudinous.

I recall a consolidation of the past few years where, on the last day, one hundred and eighty thousand shares of stock were deposited; the day before, one hundred and twenty thousand; three hundred thousand shares of stock, a par value of thirty millions of dollars; and those were the days when every share of stock had to pay two cents transfer tax and each certificate twenty-five cents power-of-attorney tax. One had to look out for stamps so much in those days that one almost regretted the necessity of teaching Spain a lesson in decency. The trust company's receipts having now been delivered, there perhaps comes a lull, but often notices must be sent to depositors, assessments paid, which necessitates the return of the certificates to have the payment stamped thereon, and then the reorganization is perfected. The lawyers have been busy all this time, have foreclosed the mortgages, incorporated the new company, and the new securities are ready for delivery. The same process is gone over again; certificates of deposit come back and receive the pro rata of new securities to which each may be entitled. All the trust company's receipts having been cancelled and all new securities having been delivered, this most intresting of escrows is at an end.

Such is, very roughly, one of the most detailed of escrows and which, with the others I have touched upon, justify, I hope, my sub-title of "varied."

PROFITS TO BE DERIVED.

And now as to the "profitable" feature of this form of trust company business.

When our simple form of escrow, in my first illustration, is brought to us and we suggest a charge of say fifty dollars, the payor is very apt to ask: "Isn't that rather high for holding a few papers for a short time?" To which the very natural reply is: "Yes, but you want considerable more than that or you wouldn't come to a trust company; you want to feel that the negotiable instrument which you are putting in escrow is absolutely safe; that no consideration whatsoever will alter the conditions under which the escrow is established; you want to feel that the depositary will treat all parties with absolute impartiality and absolute fairness; the matter is of importance, and so you come to a trust company; and, to have that complete 'peace of mind' and certainty that your agreement will be carried out fairly and impartially, the charge mentioned is very moderate."

I venture to think that you gentlemen here will agree with that statement of the case.

And so, with a moderate charge for a simple escrow, the commission may run into thousands of dollars for reorganization work, with its many details and full responsibility.

"The laborer is worthy of his hire," but, as in the parable, the reward is not altogether in the actual pence paid. The commission paid for the actual work of the escrow should not represent the total of the trust company's profits; the friends made, the new business brought in, the advertising, should all be considered in the sum total of the profitable side of the business.

In conclusion, gentlemen, I submit this paper to your consideration in the earnest hope that, wherever our business lies, this feature may be developed to the mutual benefit and advantage of all concerned.

THE CHAIRMAN: There is a report of the committee appointed to investigate the subject of auditors of trust companies. It is quite a lengthy document and has been reduced to type and is here in bound form. I think it would tire you to have it read, and I think no doubt you would all prefer to have a copy to take with you and read it at your leisure. Therefore, with your permission, we will omit the reading of that paper and distribute the printed copies of the same.

The report of the committee referred to is as follows:

REPORT OF SPECIAL COMMITTEE APPOINTED TO FORMULATE A SYSTEM FOR THE AUDIT OF TRUST COMPANIES.

To the Executive Committee, Trust Company Section, American Bankers' Association—Your committee, appointed at a meeting held April 22, 1902, charged with the duty of framing and printing a system for the daily audit of trust companies, begs leave to report as follows:

At the time of its appointment your committee was under the impression that many trust companies throughout the country had in their employ an officer whose sole duty was to audit the affairs of his company, and the committee understood its duty to be the study of the various systems used by these officers, culling the best methods from each, and formulating the best points so gathered into a complete system that could be adopted by any trust company. Such a report, it was thought, would be of great value to the members of the Trust Company Section.

It immediately became apparent to the committee, however, that it was laboring under a mistaken impression. It began its labors in New York, and at once discovered that not a single company in the entire city had in the past employed an auditor strictly so called. Each company in New York had most excellent methods of checking its accounts and safeguarding its assets. Each company had periodical examinations made either by a committee from its board of directors, or by an expert accountant or audit company employed for the purpose. The methods of the companies varied greatly, but all strove to accomplish the same result. One company had recently taken into its employ an officer called an auditor, whose ultimate business it would be to make daily audits of the company's affairs, but who had not, at the time of the inquiry of the committee, put his plan in operation.

Turning elsewhere, and making inquiries in various sections in the United States, the committee found the same diversified treatment of the subject. As a matter of fact, very few companies employ auditors, but it is fair to say that those who do have an officer whose sole business it is to audit the affairs of the company are loud in their praises of the plan, and declare that under no circumstances would they be without such an officer.

Your committee finally arranged for a meeting in Chicago in February of this year with Mr. E. C. Jarvis, auditor of the Northern Trust Company of Chicago; Mr. T. R. Robinson, auditor of the Fidelity Title and Trust Company of Pittsburg, and Mr. Claude Hamilton, auditor of the Michigan Trust Company of Grand Rapids, Michigan, and to these gentlemen the committee is greatly indebted for valuable information and assistance.

On going into the whole subject very carefully at this meeting in Chicago it soon became apparent to your committee that it would be quite impossible to formulate any system of auditing that would be applicable to the affairs of all trust companies, for the reason that a system suitable for a large trust company, carrying on a general trust business in New York or Chicago or other large city, would be practically useless for a small company carrying on the trust business pure and simple in a small town. As a general statement, it may be said that the business of each trust company differs from the business of the other trust companies—nearly every one has its specialties—and these differences are so very marked as to cause the greatest variety in the methods of keeping accounts, records, etc.

With all these points in mind, your committee found itself wholly unable to carry out your instructions, but, in order that the members of the Trust Company Section may have the benefit of the information gathered by the committee, it has determined to append hereto the suggestions of the three auditors referred to above, each in the form of a report, and recommends to the officers of all trust companies a careful study of all three. And, from these reports, the committee further recommends that each company make up a plan of audit suitable to its own affairs and that an auditor be employed to carry out the plan so devised.

The committee begs further to recommend the adoption of certain, so to speak, elementary safeguards which can be utilized by all trust companies, large or small. It is recognized that one of the greatest dangers of peculation consists in a private conspiracy between the paying tellers' and bookkeepers' departments. In order to make this difficult, it is recommended that the bookkeepers be frequently shifted, as, for example, the bookkeeper having charge of ledger A-K should be transferred, say, to ledger S-Z. In companies of sufficiently large size to warrant it the system of double ledgers should be installed, one being a record of all the daily transactions of the customers, the other showing only the daily balances—each two ledgers, however, covering the same portion of the alphabet. In a particular trust company in the minds of the committee a certain bookkeeper has charge of regular ledger A-K and skeleton ledger (that showing only balances) S-Z. This bookkeeper always has charge of two ledgers, but never of the two ledgers covering the same deposits. It will be seen that frequent changes make impossible any extended conspiracy between the bookkeepers' and paying tellers' departments.

Several companies with whom the committee came in contact offer a premium for the paying tellers' accuracy. In all trust companies or financial institutions where money is paid over the counter the paying teller's cash runs over or short during the year. In the companies above referred to the incentive for correctness is created by offering to the paying teller a bonus, payable at the end of the year, if the differences in his cash are not greater for the year than a certain minimum amount fixed by the officers of the company.

The reports appended hereto treat at length on the dual system of the custody of securities. Your committee regards this system as most important, and recommends that it be instituted in every company where it is possible to carry out the plan. The custody of all securities shoud lie in two officers, neither having access to the securities unless accompanied by the other.

The committee is impressed with the importance of an audit system, and unhesitatingly recommends its adoption as a matter of necessity and importance.

ANTON G. HODENPYL,
JOHN E. BORNE,
Committee.

New York, September 15, 1903.

SUGGESTIONS FOR A METHOD OF AUDITING TRUST COMPANIES FOR THE USE OF THE COMMITTEE APPOINTED BY THE TRUST COMPANY SECTION OF THE AMERICAN BANKERS' ASSOCIATION.

First: An auditor to receive his authority from the president and board of directors, to whom he shall report periodically the result of his examinations; auditor to be free from all control or suggestions of other officers as to method and time of making evaminations; auditor's staff of assistants to be under his control exclusively.

Second: Joint custody by two officers of all securities, which joint custody must be maintained at all times. When securities are removed from the vault for any purpose a form should be left in compartment from which the securities have been removed, giving a list of same, to whom delivered and for what purpose; this form to be signed by both officers. The securities should be replaced before close of business on the same day or satisfactorily accounted for. This will apply to trust funds only, as it is not always practicable in the banking department, except as to investments. The working out of the detail of such an arrangement must be left to each company, as its practicability depends entirely upon the officers and the vault space and conveniences. That it should be done, however, I consider most important.

As the detail is somewhat different, I shall consider separately the banking and trust departments.

Trust Department.

(a) When a trust is accepted the auditor should verify the securities and property turned over, as shown by the trust agreement, and follow up this initial examination by seeing that proper entries are made in the various books.

(b) A daily audit should be made of all payments of money or transfers of securities, as shown by daily transactions in the cash book and journal which have been made from slips or tickets initialed by an officer or some authorized employee, or from other books; the slips or tickets to be properly defaced by the auditor in such manner as would preclude any possibility of their being used a second time.

(c) A periodical examination should be made of all securities held for the various trusts at irregular and unknown intervals; said securities to be compared with the individual trust ledgers and the grand totals with the accounts in the general ledgers.

In making an examination of securities I would consider the following points essential:

Bonds: See that they bear every evidence of genuineness, signed by trustee, etc., and that proper coupons are attached.

Stock Certificates: See that they are signed by the proper officers and bear the corporate seal of the company. I have in examinations at different times come across certificates without the signature of one of the officers or without the seal of the company. Where stocks are held as collateral, be sure that assignment is regular, so that the certificate may be a good delivery.

Notes secured by Trust Deed or Mortgage: See that notes are identical with those described in the deed and are endorsed, and that the trust deed bears the certificate of registration by county registrar.

Mortgages: See that the assignment is regular and recorded.

(d) Examine all bank accounts and verify the balances.

(e) Check in each trust account all income accruing, as shown by the trust securities record. This should be done daily by the auditing staff as the income becomes due. Where real estate is handled the rent roll should also be checked daily, and if the extent of the business warrant one of the auditing staff should visit the premises which have been rented at one time and are reported vacant by the books in the real estate department. Where tenants are shown in arrears for rent a notice or statement should be sent to such person by the auditing department, with the request that an explanation should be sent direct to the department. For checking income, both for trust and investments, I use a card tickler, showing dates of maturity of all income from which are checked credits to income in the various accounts. As all entries for purchase or sale of securities pass through the hands of the auditing staff in the general checking, the necessary changes are made at the time and cards are always up to date.

(f) All statements of account as sent to beneficiaries under trusts should be examined by the auditing staff and compared with the ledgers before being sent out.

(g) Examination of salary account and other expenses, with vouchers.

Banking Department.

(a) Daily Routine: In the daily auditing of the general books I include checking of the additions of all remittances, draft and certificate registers and other subsidiary books from which entries are taken. It may be proper to say that no entries for the general books shall be taken from the teller's cash book. I hold it as a fundamental principle that no entries should be made by a teller other than those necessary for him to make in his own blotter or cash book for the purpose of balancing his cash.

(b) Teller's Cash: The teller's cash should be counted frequently, the oftener the better, taking care to examine at the same time the items which he has charged to the clearings or cash collections, both as to amount and the nature of the items.

(c) Clearings: Checks charged to the clearing house should also be carefully examined and balanced as often as considered necessary.

(d) Loans: Should be balanced and notes carefully examined to ascertain that they are properly drawn. Also that partial payments and payments of interest have been endorsed. When secured by collateral, the latter should be examined in the same manner as detailed in the trust department, and where possible, the value of it determined to insure that the loan is fully secured.

(e) Investments: All stocks and bonds held for investment should be examined in the same manner as described in the securities in the trust department.

(f) Bank Balances: In adjusting the bank accounts I adopt the following method: All advices received from banks of amounts credited (except collections) are turned over to the auditing department. These advices are compared with the remittance registers to insure that the whole amount of remittance, as shown by our books, has been credited or accounted for. As the additions of these remittance registers had already been checked and the totals as carried into the general books compared, I think the ground is fully covered for the time being. At the end of the month, or whatever periods statements of accounts are rendered, the statement is adjusted and all outstanding entries reconciled by me personally, before signing reports of its correctness.

As foreign banks generally charge up drafts to accounts of the drawing bank upon receipt of advice instead of upon payment of draft, I always have the advices compared with the draft registers before they leave the office, initiating both advice and register, with this exception, foreign bank statements of account are adjusted in the same manner as those of domestic banks.

(g) Cash Items: By cash items I now refer to checks received and certified to customers and forwarded for collection and remittance to points where we do not keep accounts. After taking off a balance of this account, there are two methods of verifying the outstanding items: By forwarding a detailed list to each bank of the items outstanding on date of examination and asking them to verify same if on hand or in transit on that date; or by marking them off as returns are received. I prefer the former; the latter, for various reasons, is unsatisfactory, at least I have always found it so.

(h) Individual Ledgers: Individual ledgers should be balanced at irregular and unknown (to bookkeeper) dates. The following plan is adopted here: Ledgers are balanced daily and a list of the balances given to the paying teller for his guidance. Next day these lists of balances are turned over to the auditing department and put under lock and key, so that they can be compared at any time or on any date, without the knowledge of the bookkeeper. Where other systems are followed, other methods of auditing would have to be adopted.

Changing bookkeepers from one ledger to another at frequent intervals and without notice is also an excellent deterrent to any one predisposed to dishonesty, and is a custom that has been followed by us for a long time.

(i) Savings Accounts: In checking the work in the savings ledgers I enter more into detail than in the commercial accounts. Withdrawals as shown by withdrawal receipts and the deposit tickets are checked daily into the respective accounts and are also checked with the entries in the journal which is footed and the totals as carried into the general books compared. The ledgers are balanced at intervals also.

(j) Certificates of Deposit, Cashier's Checks and Certified Checks: Balances of these accounts should be taken off from the items shown as outstanding in the registers. As the entries in these registers have been made from the requisitions initialed by the officers or employee who signed the document, by a clerk other than the one who received the money, and the additions and the total as carried into the general books have already been checked daily, while the payments have also been checked daily from the particular check or certificate which has been canceled by a member of the auditing staff, I consider there can be little chance of manipulation by any dishonest employee. Great care should be exercised to properly cancel a paid check or certificate to preclude all chance of its being used a second time. All spoiled forms should be accounted for and initialed for opposite the respective number in the register, or on the counterfoil or stub, if such are used.

(k) Collections: A difficult department is a bank to safeguard, as there is nothing to balance with, unless collection accounts are kept in the general ledger, which is so cumbersome and entails so much labor that I believe it is not generally followed in this country. The most efficient way to audit this department is to put a member of the auditing staff in charge of it for a time, say during the vacation season for a couple of weeks; any irregularities are then likely to turn up.

(l) Closing Entries: The closing entries for the quarter, half year or year, as the case may be, carrying the profits and expenses into profit and loss account, should be carefully examined and verified.

All calculations of interest on demand loans, accrued interest on certificates of deposit and unearned interest on bills discounted should be checked before the closing entries are made, but this should be a part of the routine work of the office and belongs more properly to the accounting department.

It is not always easy to define the line dividing the responsibilities of the accounting and auditing departments. The two should always be in close touch with each other. It certainly should be within the province of an auditor to watch closely the system of accounting to see that no lax or dangerous methods are permitted to creep into an office, while to the former falls the disposal of the clerical force, the arrangement, division and efficient performance of the routine work. A proper division of the work among the clerks with a due regard to safety should always be the aim of both auditor and accountant and this division, and subdivision, is, if intelligently made with that aim in view, one of the best preventives of systematic defalcations. With a proper system of accounting a portion of the auditing becomes almost automatic. Without such a system no method of auditing ever devised can be effective.

E. C. JARVIS,
Auditor Northern Trust Company, Chicago.

SUGGESTIONS IN RELATION TO THE WORK OF AN AUDITOR OF A TRUST COMPANY.

1. The auditor should be subject to the instructions of only the president or board of directors, or of both; and he should not engage in nor assist in any of the work of the company at the direction or request of any authority other than these.

2. He should familiarize himself with every branch of the work of his company so thoroughly that he would be able, always at his own suggestion and volition, to assist, or indeed to take the place of, for a brief period, any clerk or subordinate officer. And practical application of this feature will be of great value in the general effectiveness of his work.

3. He should keep a daily journal of his work; this for the inspection of the president or board of directors, if they wish to so inspect, and also for his own use in informing himself as to the periodical completeness of his audits. He should also make such reports to the presdent or board, on general or upon particular matters, as the president or board may desire or direct.

4. It is not necessary, and it is often not best, for the auditor to work out to completeness any branch of audit undertaken at any given time. Sections of any branch of audit may be done at different times. His journal will inform him as to the completeness of audits, as referred to in paragraph No. 3.

5. The auditor should be furnished with the daily or other statements of the condition of the company, and a special feature of his duties should be the investigation of such statements as often as may be practicable, to the end that he may satisfy himself and be able to satisfy the president or board that such statements truly represent what they claim to do.

6. An auditor should have the courage to ask the most pointed questions of officers and employees, and to call for the instant productions of papers or books; and on account of this feature, an auditor needs to possess and exercise the greatest tact, so as to not make himself offensive nor unduly troublesome.

7. The extent of an auditor's work in a thorough checking of entries in cash books, journals, ledgers and other records, must be determined by the force of assistants at his disposal, whether one or more of such assistants, or none. His journal will indicate very clearly whether his work is satisfactory to himself and to his superiors, consistent with the facilities given him.

8. An auditor must take and work upon the system of accounts in force with his own company as he finds it. And as each company differs to a larger or smaller extent from others in system, and as each system has its features of more or less weakness, comparatively, an auditor should direct his best watchfulness upon such supposed weak points in the system of his company.

9. The auditor's journal should contain suggestions and recommendations as to changes in system which in his judgment are desirable. In this way and in addition by timely mention to the president, he will place himself on proper record. Should trouble come to his company, the auditor will stand or fall principally, of course, according to the merits of the particular case, but also according to the degree of diligence in his work as shown by his journal, and also to some extent according to whether his proffered recommendations have or have not been adopted.

10. From all ledgers and other books capable of such test, trial balances should of course be taken at proper intervals, and such trial balances should be promptly and regularly filed with the auditor. There are also features involving the collection of certain revenues, such as rents for instance, concerning which written statements can be made, which statements should be made and filed with the auditor. And all of such trial balances and statements should be certified as correct by the person immediately in charge. The auditor should endeavor to secure such signed trial balances and statements from as many departments of the company as is at all possible. It is presumable that in many cases intending wrongdoers will hesitate, with good results, before certifying a false trial balance or statement. It will probably not be possible for the auditor to check and verify all of such trial balances and statements; as to which of them shall be verified is a matter for the judgment of the auditor.

11. For reasons indicated in paragraph No. 8, it is regarded as very difficult, if not impossible, to detail a uniform system of auditing trust companies so as to cover all the various branches and include new matters always liable to arise; so that the writer of this paper feels constrained to touch upon but few specific points, as follows:

12. Deposits: With trust companies where two or more individual bookkeepers are employed upon several ledgers, the bookkeepers should be changed about from the different ledger at intervals, all according to the direction of the auditor. Also, no company should allow pass books to be balanced by the individual bookkeepers; such balancing should be done by an entirely different clerk. Then with these safeguards the auditor in his examinations will check trial balances with ledgers. He will also have an easy access for the examination of particular accounts to which his attention may be attracted, the files of deposit slips and the files of paid and canceled checks. He will have for mailing, personally and without the knowledge of others, to depositors whose accounts may attract his attention, a notice requesting a prompt sending in of the pass books for balancing; such notice to be properly worded so as not to excite suspicion. He will have free and easy access

to the signature and address records giving the addresses of all depositors. He will try to require the constant correcting of such addresses, to the end that he may at all times be in shape to promptly communicate with the depositors.

13. The last part of the preceding paragraph should be applied generally to all the departments of the company to the same end as is there indicated.

14. Loans: The examination of loans should be done in the usual way, the inspection of paper, the examination of the collateral, the checking with the trial balances, the comparison with the ledger account, etc. This branch of the work should include the examination of the interest payments upon loans. For the account of brokers working under general collateral agreements instead of specified notes the best method of auditing is to have the auditor at proper and practicable times make a list of collateral actually on hand as he finds it, and to take such list to the broker's office and check same with the broker's books.

15. Examination of Trust Securities: The system of the company should provide for advising the auditor, or for enabling him to otherwise know, of the entrance of new trusts upon ledgers, and he should thereby verify such entries of new trusts by checking with the original inventory or other satisfactory evidences. Thereafter the trust ledger accounts should be the data for him with which to check the securities in his periodical examinations of same. In large trusts and of long standing, where securities have been much changed by increasing or decreasing or disposal, checking with the original ledger entries is difficult. With most trust companies there are secondary accounts kept, ledger or otherwise, showing the net securities at present on hand; such, for instance, as the card system, having a head card for name of estate and a card following for each security with all particulars of same thereon, kept corrected to date. The auditor may, for greater expedition, take such secondary accounts for checking with the securities, provided such secondary accounts are not accessible to the persons having access to the security safes; but even then there should be occasional checking between such secondary accounts and the original matter in the ledgers. As to a proper custody of securities, trust and otherwise, during examinations, it is very difficult to find a satisfactory method that is really practicable in a large and busy trust company. The idea of the writer of this paper is that in all such examinations, one of the chief officers of the company should appoint a subordinate officer or chief clerk of the company to be with the auditor during such examinations, disallowing suggestions or request of the auditor as to who such assistant shall be; the auditor having the right to require the immediate appointment of such assistant whenever and as often as he, the auditor, may request. The writer of this paper considers a rule providing for dual entrance to security safes, for the changing of securities, etc., to be of the greatest importance. In the inspection of securities an auditor cannot be expected to pass upon the legality of documents, but he should use his layman's mind for the catching up of irregularities, omissions in execution, etc., to the best of his ability.

16. General Ledger: In the banking department the auditor should make periodical examinations of the general ledger, which is perhaps the fountain head of all of the business of the company, by inspecting every account and by investigating such accounts of entries as may arrest his attention. He should keep a careful watch of every detail of the profit and loss account. He should also make similar inspection of trust ledgers.

17. Journal Entries: No entries should be made in ledgers without first originating in cash books or journals, and for all journal entries the bookkeeper should first have, as his authority for making such entries, slip entries duly approved by a proper officer; and the auditor should not pass any journal entries without such approved slip entries.

18. Loose Leaf Ledgers: Where such ledgers are used, the auditor should see that all loose leaves when ordered are numbered in consecutive order, that proper registers are kept in the using of the leaves, that all persons receiving supplies of such leaves are properly charged with same, and that in this way every leaf ordered and received by the company is properly accounted for. Spoiled leaves, or leaves given away as samples, should be so indicated in the register, with the initial certification of two officers. The loose leaf ledger is one of the most convenient and at the same time one of the most dangerous innovations of modern bookkeeping. But it has no doubt come to stay, and an auditor should try to apply proper safeguards accordingly.

19. Receipts and Disbursements: As a general rule the auditor will have evidences, of one kind or another, to satisfy himself concerning disbursements. He

should scrutinize all such evidences with the usual proper care. The matter of receipts is more difficult to handle; but the auditor should endeavor to see that all due income is properly accounted for; by proper dual system of sending out bills and the payment of same; by calling for signed statements concerning due income proving to be uncollectable; and by proper personal investigations.

20. The Audit of the Payment of Interest Coupons and of the Redemption of Bonds of Other Corporations: The system of the company should provide that the clerk in charge of such payments shall cancel such coupons and bonds each evening without exception; and that he shall thereupon pass such coupons, etc., to a second clerk for custody and for verifying as to count and total cancellation. This verification by a second clerk may be done on the next succeeding day. The length of time intervening before detection of fraud arising from omission of this dual feature of this rule, varies with the frequency with which coupons are surrendered to customers, whether monthly, quarterly, or semi-annually. The auditor should count such coupons and verify with ledgers, to such an extent as he may have time and facilities so to do.

21. Escrow: The writer of this paper thinks that too little importance is attached in most companies to the proper entering and auditing of escrow matters; and that such that is recorded on slips, with however great care, should instead be made matter of permanent record. His idea is that there should be an imperative rule requiring all escrow matters to be detailed in proper ledgers, by a clerk, designated for that purpose, to the end that the auditor may be enabled to examine such securities, etc., the same as other securities of the company.

22. In connection with the examination of securities, trust and company, a good arrangement is for the auditor to do the work of clipping the maturing interest coupons. This work will take but little of his time additional to that of the audit work; it will provide opportunities for audit at each period of such clipping; and it will save a separate handling of securities for coupon clipping purposes by some other officer of the company.

23. The writer regards the system of his own company, the Fidelity Title and Trust Company of Pittsburg, in general and in detail, as a model in general excellence. In some details its particular system does not agree with the suggestions, etc., embraced in this paper; but the writer has had in view, in this paper, trust companies in general, and banks and trust companies and corporations with which he has had more or less experience in auditing.

T. R. ROBINSON,
Auditor Fidelity Title and Trust Company, Pittsburg.

SUGGESTIONS AS TO THE AUDITING OF TRUST COMPANIES.

The business of a trust company itself, and the various classes of business in which different trust companies engage, make it difficult to give any set rule or form for a complete audit.

In addition to the audit of the trust company's own assets, the various relations in which the trust company is actng as trustee, executor, and other trust capacities, each one of which is a business in itself, requires for it a special audit, and in the audit a consideration of that particular trust.

The writer has therefore divided his suggestions as to making the audit under two heads:

1. The audit of the trust company's own assets.
2. Of the assets which it holds in trust.

The business of the Michigan Trust Company is divided into five departments: Teller's or banking department, mortgage department, real estate department, trust department, safe deposit vaults, besides the auditing department, which is a department in itself.

Each of the departments partakes of the daily system of checking which is in vogue with us.

Receipts Checked.

Receipts from all departments pass through the teller's department each day, and are accounted for by entries in ink on tickets; entries are made from these tickets by the various clerks, on the auxiliary books in the different departments, such as the general ledger, the mortgage record, the rent record, the safe deposit record, and the general ledger of the trust department.

These tickets are returned to the audit department every day at the close of business, and are checked with the teller's cash book the first thing the next morning; in this way all tickets representing receipts are accounted for and checked with the teller's cash book. The tickets are then filed.

Vouchers Authorized and Checked.

Tickets for disbursements of expenses and all other items are O-K'd by an officer, and receipts of payees are part of the daily tickets which pass through and are examined by the auditor. Disbursements for trust account are made by duplicate vouchers, the duplicate being used as a memorandum from which entries are made in the various books of record, and are returned to the audit department at the close of each day's business to check the teller's cash, the original being sent out for payee's signature and return.

All tickets, both for receipts and vouchers for disbursements, after having been checked with the teller's cash book, are inspected by the auditor to see that the same have been properly made out, and that all entries have been duly made on the books of record of the various departments, we having adopted the system of having a check mark on each ticket made for each book of entry in a department. The auditor from his familiarity with the system can tell by glancing at the ticket whether the entries have been made.

Cash.

At irregular intervals once a month, the cash in each department, the teller's department especially, is checked up and counted.

Bonds, Securities, etc.

During each month the bonds and other securities belonging to the company are checked, the actual bonds being counted and verified with the charge to bond account on the general ledger.

Accounts with Reserve Banks.

The accounts with reserve and other banks are reconciled the first day of every month.

Mortgages Checked.

The mortgages art gone over every month in the same manner as far as possible as the bonds, the notes being inspected for endorsements of principal and interest, and the total amount of the mortgages verified with the debt to that account on the general ledger.

Income Due Company.

To check the income due the company, such as interest on bonds, interest on mortgages, interest on demand and time loans, fees due from the trust departments, safe deposit vault, box rentals, we adopted a book in which could be entered each demand and time loans providing columns for the interest maturities and principal payments. The mortgages are entered in the same way, and the fees from the trust department in practically the same way, by giving a space for each trust, a column for the payment of the fee and another showing the date on which the fee should be paid. The rentals from the safe deposit vaults are given a line for each number of box and the renter's name, a column for the maturity of the rental, and a column for the payment. This book is kept exclusively by the auditor, and as the tickets which we have before mentioned are turned in for all the departments, he reserves the company's income tickets and enters them up in the various columns in this book. At the end of each month he goes over every income account carefully, such as demand and time loans, mortgages, trustee's fees and safe deposit vaults, and by glancing down the maturity column and the column in which the payments have been entered during the month, he is enabled to see whether every item of income due the company has been paid during that month. He makes a list of the items which are unpaid, and looks up each one for an explanation.

Balances of Principal.

He also balances his income record as to principal payments, his record of time and demand loans; mortgages and all other accounts appearing in his record being balanced each month with the debit appearing on the general ledger, which is a further check.

This will give as completely as is possible an audit of all the company's assets, and keep check on the items of income due the company.

Monthly Inspection.

A monthly inspection is given each department in addition to the above audit, to see that the various books of account are properly written up and that nothing is lagging.

Individual Accounts.

Our company does not engage in a general banking business, and has comparatively few individual accounts in comparison with other companies; so that suggestions from our auditing department would not probably be practicable for other companies, but the accounts which we have we purpose to have written up once a month and statement made to the depositor. Each of the statements of account as they are sent out is examined by the auditor.

Trust Statements.

It is our practice to render our statements where we are acting as trustee for individuals quarterly. As executor, administrator and guardian we are required by court to make an annual accounting.

Trust Income.

The statement is drawn off in rough from the general ledger of the trust department, and the auditor goes over each statement, making an audit of that particular trust as though it were a separate business in itself.

Interest and Dividends.

All items of interest are compared with the last statement, to see if the annual and semi-annual or quarterly dividends and interest follow the income from the statement before, and that the income corresponds with the actual securities listed in the trust.

Rentals.

The rentals are compared with the rentals appearing on the rent record of the real estate department.

It has been found very hard in the matter of accounting for rentals, to give this a complete audit, and it can only be done by an intelligent comprehension of the earning capacity of each property. In case where property with a large amount of rentals is in any trust, one realizes that this is difficult, and only an approximate audit may be obtained.

Disbursements.

The disbursements are checked with the vouchers which, as mentioned before, have been retained, and filed with each trust.

Securities.

The bonds, mortgages, bills receivable and other securities are checked with the records of each department, and the actual securities themselves checked with the statement where it is necessary other than the general checking of the securities as stated below.

Disposition of Statements

After the statement has been checked over, it is O-K'd by the auditor and typewritten, and in the case of a trusteeship, sent to the beneficiary and receipt enclosed for signature, as a verification. This blank when returned is attached to a duplicate copy of the statement and filed away with the papers in that trust.

Securities.

We have mentioned in trust accounts that the actual securities are checked when necessary with the account appearing in the statement. This would be true of stock certificates and notes and mortgages, and in some instances of bonds, but the bonds held in trust are checked in a much more effective way.

The bonds belonging to trusts are kept in a special safe in the safe deposit vaults, and access is given to them only by two officers of the company at once. If any bonds are taken out, a slip is put in their place.

In the trust department ledger appears a column outside of mortgages, for securities, which includes the bonds which are itemized in the various trusts.

Every month the auditor draws off from the trust department ledger a list of all bonds, and has the trust department safe opened by two of the officers, and in their presence checks up the bonds with the actual list which he has obtained from the trust department ledger, and verifies the actual securities.

This will cover the audit of all our accounts in a general way. It has been found very difficult to express, without a very extensive paper explaining each record of the company and its system of bookkeeping, the manner of our auditing. We have found, however, that the auditor must not merely work in a machine way, but must have an intelligent comprehension of all matters in the company's interest, and in that matter only can an audit be successful. CLAUDE HAMILTON,

Assistant Secretary the Michigan Trust Co., Grand Rapids, Mich.

THE CHAIRMAN: The next in order is a paper by Hon. Lyman J. Gage, President of the United States Trust Company, of New York, and ex-Secretary of the Treasury, on the subject of Trust Companies as Trustees. In Mr. Gage's absence, our secretary, Mr. Branch, will read the paper.

The paper was then read by the secretary.

Mr. Gage's address is published elsewhere in this issue of the MAGAZINE.

THE CHAIRMAN: I am sure we are very much indebted to Mr. Gage for the very interesting paper he has given us, which we have just heard read.

We will now listen to an address by Mr. P. C. Kauffman, vice-president of the Fidelity Trust Company, of Tacoma, Washington.

MR. KAUFFMAN: Mr. Chairman and Gentlemen of the Trust Company Section—At the recent convention of the bankers of our State, our retiring president, ex-Governor Moore, made an observation that the communications of the banker are usually "nay, nay," "yea, yea," as more than that is superfluity. Bankers usually read their addresses. So I trust I will be pardoned in reading mine.

THE TRUST COMPANY MOVEMENT IN THE PACIFIC NORTHWEST.—ADDRESS OF P. C. KAUFFMAN, SECOND VICE-PRESIDENT FIDELITY TRUST COMPANY, TACOMA, WASHINGTON.

To give the history of the trust company movement in a section of the United States in which it has but started is almost as difficult as to write a biographical sketch of a new-born infant. Necessarily, therefore, most of my observations will be largely speculative.

After setting forth the provisions of the laws regulating their organization and controlling their operation, I will consider briefly the place of trust companies in the financial system of the Pacific Northwest, their opportunities for usefulness and their probable growth.

It should be remembered that the Pacific Coast States are all what are termed Code States; that the common law of England is neither the controlling factor in judicial decisions nor legislative enactments. The common law maxim of "time out of mind" has no place in States of so recent an origin. The law of the land is therefore legislative enactment as modified and defined by judicial construction.

Of the three States comprising the Pacific Northwest—Oregon, Washington and Idaho—but two of them, Washington and Idaho, have enacted legislation regulating the organization and management of trust companies, and these laws are of too recent a date to admit of any judicial construction or practical experience as to their adaptability and value; the so-called trust company law of the State of Idaho having been passed in 1901, and that of the State of Washington, March, 1903.

IDAHO.

The Idaho statute, approved March 16, 1901, is very short, containing but six sections; broad as to power and privileges granted, but lame in restrictions and safeguards. Under the provisions of this act, trust companies are authorized:

To furnish abstracts of and insure titles to real estate. To act as trustee, assignee, receiver, guardian, executor and administrator and take and execute trusts of any nature not inconsistent with the laws of the State or of the United States. To act as fiscal or transfer agent of any State, municipality, body politic, or corporation. To take, receive and hold any and all such pieces of real estate as may be the subject of any insurance made by such company, with power to grant, bargain, dispose or sell, as may be deemed proper. To purchase and sell real estate and take charge of the same. To become security for the payment of damages that may be assessed and directed to be paid, for lands taken for the building of any railway, or for the opening of any streets and roads, or for any purpose whatsoever where land or property is authorized to be taken. To become security upon any writs of error or appeal.

So much as to the powers of Idaho trust companies. As to the restrictions and safeguards, there are practically none, except that the paid-up capital of companies organized under this act must be at least $25,000. There are no provisions regulating or requiring an examination, periodical reports, publication of statements or supervision of any nature whatsoever.

The growth of trust companies has been very slow in Idaho, there being at present but two operating in the State, viz., the Idaho Trust Company of Lewiston, organized in 1902 with $90,000 capital, and the Coeur d'Alene Bank and Trust Company of Coeur d'Alene, organized in 1903. From correspondence I have ascertained that their business at present is confined to that of a regular commercial bank, receiving deposits and making commercial loans, their fiduciary power being but seldom invoked.

OREGON.

There is no special law regulating the incorporation of either banks or trust companies in the State of Oregon, all such companies being organized under the general corporation law of the State; nor is there any provision in the general laws that will permit corporations to act as executor, guardian or administrator, so that the custom in that State has been when any fiduciary business is entrusted to a trust company to have one of its officers appointed by the court, the company furnishing the necessary security, and the business carried on the company's books, just as though the company was acting itself.

Neither banks nor trust companies organized under the laws of Oregon are required to publish statements, make periodical reports or sumbit to any examination or State control.

Nevertheless, hampered as they are, their business is steadily growing. The trust companies at present doing business in Oregon are: Portland Trust Company, organized 1887, capital $300,000, deposits $500,000; Security Savings and Trust Company, organized 1890, capital $250,000, deposits $3,000,000; Pacific Trust Company, organized 1902, capital $52,000; Title Guarantee and Trust Company, and the Security Abstract and Trust Company, the business of the last two companies being largely devoted to searching and insuring titles, and managing and selling real estate.

All these companies are located in Portland, a city that for years had undisputed control of the trade and commerce of the Pacific Northwest. Notwithstanding the rapid growth of the leading cities of Washington—Seattle, Tacoma and Spokane—the trade and commerce of Portland is increasing by leaps and bounds, and its banks, trust companies and financiers are leading factors in the development of that great territory—

"Where rolls the Oregon, and hears no sound
Save his own dashings."

WASHINGTON.

Up to June 17 of the present year the conditions as to organization and management of trust companies in the State of Washington were practically the same as in Oregon.

They were organized under the general corporation act, the only restrictions being a minimum capital of $25,000, of which sixty per cent. had to be paid in, and the double liability of shareholders. An annual report to the State Auditor, setting forth in extenso their resources and liabilities, was also required. The trust company proper, as distinguished from a bank, in the State of Washington, was created June 17, 1903, when the act passed at the spring session of the Legislature came into effect.

Notwithstanding the fact that a number of trust companies, viz.: Fidelity Trust Company, Tacoma, capital $300,000, surplus $40,000, deposits $1,600,000, organized 1889; Spokane and Eastern Trust Company of Spokane, capital $100,000, deposits $3,000,000, organized 1890; Walla Walla Safe Deposit and Trust Company, Walla Walla, capital $25,000, organized 1900; American Savings Bank and Trust

Company, Seattle, capital $200,000, deposits $250,000, organized 1901; Northwest Trust and Safe Deposit Company, Seattle, capital $25,000, deposits $100,000, organized 1902; Everett Trust and Savings Bank, Everett, capital $25,000, organized 1902, had been organized and were transacting business under the general corporation laws, there was a great divergence of opinion among the judiciary of the State whether in the absence of express statutory authority such companies could be appointed as executor, administrator, guardian, or act in any fiduciary capacity, some of the courts ruling affirmatively and some granting conditional powers, while others denied absolutely all such privileges.

COMPANIES TRANSACT A REGULAR BANKING BUSINESS.

Strange as it may seem, the question has never yet been brought to the Supreme Court of the State for final adjudication. The courts of my county have uniformly held that a corporation, being an artificial person created by law, could perform any and all acts that a natural person could perform, and the Fidelity Trust Company of Tacoma, the institution with which I have the honor to be connected, has been frequently appointed executor, guardian, administrator, or administrator with the will annexed, and such trusts have been duly executed, accounts settled and approved and the company discharged. We have, however, been refused appointments in other counties. Necessarily, therefore, the business of trust companies in Washington, as in Oregon, has been chiefly that of a bank, and all such companies now transact a regular banking business, as well, receiving deposits, general and special, and making regular commercial loans, as well as loans based upon collateral. They all have savings bank departments and are members of the local clearing house, and stand on even footing with other financial institutions in the State.

WASHINGTON'S NEW TRUST COMPANY LAW.

In order, however, to settle the question definitely so that fiduciary powers could be conferred upon them without question, and particularly to facilitate the organization of the Washington Trust Company, in the city of Seattle, a considerable part of whose capital was to come from the East, and which is now in successful operation, with a capital of $300,000 and surplus of $200,000, a very carefully worded and safeguarded measure was introduced in the Legislature last spring and finally passed and approved by the Governor. One of the amusing incidents of its passage was the stout opposition it received from many members owing to their fear of the word "trust," many of them imagining that some huge combination in restraint of trade or commerce was contemplated. The act was very carefully drawn, and its provisions are based principally upon the existing laws of New York, New Jersey and Massachusetts regulating such companies.

The powers granted to companies organized under the act are very broad, comprising, in fact, every power enumerated in the laws of the States above named, so I will not burden you with what would only be a vain repetition. Suffice it to say, a trust company in the State of Washington, organized under the act of 1903, can act in any fiduciary relation, execute or perform any trust, either by appointment of court or individual. The restrictions and safeguards are drawn with equal care, the principal ones being: That in cities of over 25,000 inhabitants the capital stock must not be less than $100,000. Before a company can transact any business the Secretary of State must examine it to ascertain if its capital is fully paid in cash. The directors must each own not less than ten shares of stock and subscribe to an oath similar to National banks. It cannot loan to stockholders its trust funds, nor make a loan upon the security of its own stock.

The interests of depositors are safeguarded along the same lines as National banks, and every trust company is under the strictest surveillance and supervision of State officials; their solvency and sound management are insured by a rigid system of inspection; all books, records, papers, loans and instruments being open to the inspection and examination of State officials at any moment and without notice. The examiner has power to administer oaths to the officers and employees; the company must make and publish statements of its condition, verified by the oaths of its officers.

The trust company movement, as I said in opening, is of too recent birth in the Pacific Northwest to have achieved a position in any degree differing from a bank in our financial system, save only in those localities where the courts have extended to them fiduciary powers, but it is easy to see that the times are now ripe for their extended usefulness.

FUTURE OF THE PACIFIC NORTHWEST.

It is universally conceded that the twentieth century will be noted as the period of the world's great struggle for commercial supremacy and that the arena of that conflict will be transferred from the Atlantic and Mediterranean to the Pacific and Yellow Sea. The United States, commanding as it does the Hawaiian and Philippine Islands, the most important strategic points in the Pacific, occupies a most advantageous position, destined to make this nation the ruling factor in that great struggle. The possible, nay the probable, extent of that commerce is beyond comprehension. Without encroaching upon the great city of San Francisco, sitting complacently at the Golden Gate watching the wealth of the Orient pour over its docks, it must still be acknowledged that the Pacific Northwest is rapidly developing into a most important factor in the commerce of the Pacific.

The aggregate commerce of the Orient with the Occident in 1902 was considerably over two billions of dollars, that of China alone being over $300,000,000. Out of this vast commerce the United States had less than ten per cent. Yet is it not clear that when Congress and the people of the United States awake to a full realization of the grandeur of their destiny, and the greatness of their opportunities, considering our central position between the Atlantic and Pacific, our excellent transportation facilities, our varied and inexhaustible resources, and the steadily increasing dependence of the world upon us for the necessities, and even many of the luxuries, of life, we will see the enactment of such legislation as will in but a few years re-establish our merchant marine, cover the Pacific with great vessels, bearing at their peaks the Stars and Stripes, and pour into our treasuries wealth incalculable.

In the development of this vast commerce, great will be the opportunities for usefulness for the trust companies of the Pacific Northwest, and when it is considered that the area of the three States comprising that territory is over 250,000 square miles, an area equal to that of the New England and Middle States combined, with Maryland, Virginia and West Virginia thrown in, it is not difficult to imagine how great will be their growth in the near future. No section of the United States contains within its boundaries more varied or extensive resources—riches are there in all forms, requiring from man but little more than the effort of lifting his hands in order to secure them. He may pluck gold from the wealth of trees that adorn its western slopes; take it from the watered gardens of its eastern plains, which far surpass in fertility the world-famed valley of the Nile; dig it from the hillsides in the form of minerals, or dip his seine in the great Columbia River, or in the deep bowl that holds the waters of Puget Sound.

Upon the trust companies will ultimately devolve the work of financing the great enterprises that will develop these abundant riches and resources. The four great natural resources of agriculture, lumber, mining and fishing, in the States of Oregon, Washington and Idaho, added to the material wealth of the United States in 1902 nearly $250,000,000 in gold, an increase of nearly $50,000,000 over the preceding year, an amount that will be rapidly increased with the completion of the great irrigation enterprises now being instituted and fostered by the wise decision of Congress and the general government to "impound the floods and reclaim the arid lands."

The future is bright with promise for the Pacific Northwest, and will see the establishment of great steamship lines, immense iron and steel plants and a countless number of manufacturing enterprises to supply the wants of a rapidly growing commerce, and in assisting the growth and development of all these the trust companies of the Pacific Northwest may be depended upon to do their part.

THE CHAIRMAN: The opportunity now exists for short talks upon any subject that is interesting, or anything that is pertinent to the paper that we have just listened to.

CLARK WILLIAMS, Vice-President United States Mortgage and Trust Company, of New York: There has perhaps been no question so generally discussed among trust company people in the East during the last year as that of a required cash reserve, and in view of possible legislation affecting the matter in several States, it may not be amiss to give you a few facts which have not yet been published bearing on the situation in New York.

At the time of the promulgation of the rule requiring trust companies clearing through the New York Clearing-House to keep a cash reserve in vault of five per cent. of total deposits, which reserve is to be increased to ten and later to fifteen per cent., the United States Mortgage and Trust Company received from the other trust companies in Greater New York figures necessary to enable us to make a comparison of facts relating to the business of the trust companies and the clearing banks, which I hope will be of general interest as bearing directly on the question of the necessity of these reserve requirements for trust companies. The deposits of forty-nine trust companies in Greater New York amount, in even thousands, to $741,060,000, against the clearing banks of $944,790,000. The cash resources of these trust companies amount to 16.81 per cent. of their deposits, as against the banks' reserves of 26.45 per cent.

It should be borne in mind that the statutes under which these trust companies in New York conduct their business necessitate the investment of capital in certain prescribed securities and the deposit with the banking department of approved securities equal to ten per cent. of their capital.

In a fair consideration of the subject it should also be remembered that the trust companies include, in figure of total deposits, moneys held in trust and time deposits which are not subject to withdrawal at will. Although the deposits of the trust companies and banks are as 741 to 944, the exchanges and checks drawn against these trust companies during the year ended December 31, 1902, amount to only $4,725,750,000, as against checks on the banks paid through the New York Clearing House amounting to $74,753,180,000, or only six per cent. of the total clearings and checks drawn in New York.

It would seem from these figures that the bulk of the trust companies' deposit business still differs from that of the banks by a surprising margin and that the necessity for the maintenance of the prescribed cash reserve in vault may be a little overdrawn.

The Chairman: If no other gentleman present has any subject he would like to bring up, or any remarks or discussion to offer on any of the papers that have been read, we will proceed with the regular routine of business, which will be the nomination and election of three members of the executive committee to serve for the period of three years; also the election of a chairman and vice-chairman of the Trust Company Section.

Clark Williams: Mr. Chairman, it gives me great pleasure to nominate as chairman of the Trust Company Section of the American Bankers' Association Mr. Breckinridge Jones, Vice-President of the Mississippi Valley Trust Company, of St. Louis, Missouri. We all know Mr. Jones, and it would be a presumption on my part to say anything in his behalf.

Mr. Hartley: Mr. Chairman, I take pleasure in seconding the nomination.

The Chairman (after a pause): If there are no further nominations, is it your pleasure that the secretary should cast the vote for Mr. Jones, as chairman of this section?

Upon motion the secretary was instructed to cast the vote of the section for Mr. Breckinridge Jones as chairman.

The Chairman: Mr. Breckinridge Jones is unanimously elected chairman. Nominations for vice-chairman are now in order.

August Schlafly, President of the Missouri Trust Company, St. Louis, seconded by A. A. Jackson, of the Girard Trust Company, Philadelphia, nominated E. A. Potter, President of the American Trust and Savings Bank, of Chicago, for vice-chairman.

There being no further nominations, the secretary was directed to cast the ballot of the section for Mr. Potter, and the ballot was cast accordingly.

THE CHAIRMAN: Next in order are nominations for three members of the executive committee to serve for three years.

Clark Williams, Vice-President of the United States Mortgage and Trust Co., of New York, was nominated.

MR. JACKSON: Mr. Chairman, I desired to nominate Mr. Williams myself. I take pleasure in seconding the nomination.

THE CHAIRMAN: Two other nominations are necessary, and in order.

E. SHORROCK, President Northwest Trust and Safe Deposit Company, of Seattle: Mr. Chairman, I nominate Mr. E. H. Reninger, Treasurer of the Lehigh Valley Trust and Safe Deposit Company, of Allentown, Pennsylvania. Mr. Reninger has taken a great deal of interest in the work of this section.

The nomination was seconded.

MR. LOCKE, Trust Officer United States Trust Company, St. Louis, Mo.: Mr. Chairman, it seems to me, in view of the general hospitality we are receiving from California, that some gentleman from this State should be on this committee. I, therefore, wish to nominate the President of the Mercantile Trust Company, of San Francisco, Mr. Frederick W. Zeile.

The nomination was seconded by A. McCracken, President Central Trust Company, Camden, N. J.

THE CHAIRMAN: If there are no other names to be presented, we having had three gentlemen already nominated, I presume the same course will be pursued in the matter of balloting for these names which has been pursued in the election of the other gentlemen.

Upon motion, the secretary was instructed to cast the ballot of the section for Clark Williams, Edward H. Reninger, and Frederick W. Zeile as members of the executive committee.

The secretary cast the ballot as instructed, and the chairman announced that the gentlemen named were elected.

THE CHAIRMAN: Our programme gives opportunity for suggestions for future work of the Trust Company Section, and if any gentlemen present have suggestions they would like to make from the floor, we would be glad to hear them. If not, the secretary would be glad to receive communications in writing.

MR. SHORROCK: Mr. Chairman, as Mr. Potter has been elected vice-chairman of the section, it may be necessary to nominate some one in his place as a member of the executive committee.

THE CHAIRMAN: The executive committee will take note of that fact.

A. A. JACKSON: Mr. Chairman, this is my first visit to this section, and as you have kindly said that any of the members may make suggestions for future work, might I ask whether it might not be well for some strenuous effort to be made during the next year to obtain a larger representation than we have here, larger in proportion to our membership? I do not mean by that to say that a strenuous effort has not been made; but it seems that we have a small number present in proportion to our membership, and it would be very gratifying to us if it could be made larger.

THE CHAIRMAN: I think that is an excellent suggestion. I would like to say that this meeting is the smallest in number of this section that I have ever attended. I presume this fact is accounted for very largely by reason of the fact that the trust companies of the country are, to a great extent, located in the Eastern cities, and the distance to San Francisco is great, and many members who would have attended, perhaps, for this reason have not deemed it convenient or wise to make the journey. At our meeting in Milwaukee, and at our meeting in Cleveland, and also our meeting in New Orleans, we had a large attendance. I am sure that is nothing against the location of this convention, but still it has probably been a matter of inconvenience for a great many members to attend. I presume that the present financial condition of the country, particularly in Wall Street in the East, may have had something to do with deterring some other members from coming here, who would have been glad to attend.

I think the suggestion of Mr. Jackson is an excellent one, and in my report to the executive committee I call especial attention to this—that every member should endeavor to interest others who are active in the work, and really interested in the work, to attend these meetings of the section.

BENJAMIN I. COHEN, President Portland Trust Company of Oregon: Mr. Chairman, some years ago there was a book gotten up by some one in reference to trust companies that was of inestimable value. We have quite a large business in what I call trust by private agreement. We have revised our old forms. I have been in the habit of going East once a year, and exchanging views with other trust company people, in order to learn from them what they are doing. It seems to me we ought to have a special bureau established, or at least some individual appointed, to whom the different companies could send copies of anything unusual in the way of trusts, that they are handling, so that others might have the benefit of that information. It might be a valuable thing to do something of that kind. I was visited by a trust company officer in one of the States of the Middle West, and when I spoke to him about what we were doing in this line of business, it was all entirely new to him. I frequently have had the same experience myself; other people have mentioned matters connected with their business which has been new to me. I merely mention it as a suggestion.

THE CHAIRMAN: I think the suggestion is an excellent one, and it seems to me that the appropriate place for all such forms and literature to be centered is with the secretary, Mr. Branch, who is conveniently located in New York city, and has the disposition and the facilities to attend to that matter.

MR. SHORROCK: I would suggest as followihg on that the desirability of not waiting for requests or enquiries, but that the secretary should disseminate that information to the members of the section. The Trust Company Section has, as I understand it, two or three thousand dollars on hand, and that money could be very well expended in disseminating information of that character. The United States Mortgage and Trust Company, of New York, has recently issued a valuable publication covering the statements of the trust companies there. Matters of that kind, I think, could well come within the purview of this section, and that this information should be disseminated in the way that I have indicated.

Now, other matters might be taken up in the same way. The matter of safe-deposit boxes and deposit funds is something that might be gone into. The laws governing safe-deposit boxes vary throughout the country, and it is a matter of doubt in the minds of many companies how they stand.

from a legal point of view, in many contingencies. I think that is a very important point. The committee could ascertain, through enquiry from the various companies, what difficulties they have met with, and how they have overcome them. They could ascertain what laws they have found to prevail, and some steps might be taken, I think, for codifying the various laws on this subject. This is, as we recognize, a very important part of trust company operations; but, as I have said, so far as I have been able to ascertain, the exact liabilities of a company, and the steps it should take to meet those liabilities, are more or less unknown, and in a very unsatisfactory state.

I make that as an additional suggestion for work for the executive committee.

MR. KAUFFMAN: Following the suggestion of Mr. Shorrock, Mr. Chairman, the American Bankers' Association, as I know, has been active in securing the enactment of a uniform system, or, rather, a uniform negotiable instruments act, which is now in force in probably fifteen or twenty of the States, and will ultimately, undoubtedly, be adopted by every State in the Union.

Our decisions in the State of Washington are very conflicting as to the responsibilities of the company in the matter of the safe-deposit boxes; that is, as to the power of the court to open those boxes when controversies arise between individuals, forcing the companies to go to considerable expense in defending actions where they have no interest whatever in the ultimate result. It might be possible that this section could have drafted a law regulating the safe-deposit department of trust companies, regulating rights and responsibilities, have an investigation made along that line, and have a law of that sort introduced and made a uniform law. Let it follow the course that the negotiable instruments law did.

THE CHAIRMAN: The Chair desires to announce that there will be a meeting of the executive committee of this section immediately after the adjournment of this meeting, to be held in the room at the Palace Hotel immediately adjoining the Maple Room.

A. V. HEELY, of the Farmers' Loan and Trust Company, New York: Mr. Chairman, before we adjourn, I am sure we all feel very much indebted to the gentlemen who have prepared papers and given us the benefit of them here to-day, and I move that we extend a vote of thanks to those gentlemen.

The motion was seconded by Mr. Jackson, and unanimously adopted.

Upon motion, a vote of thanks was extended to the citizens of San Francisco for their cordial welcome and hospitality.

Upon motion, a vote of thanks was extended to the retiring officers.

Thereupon, at 12 o'clock M., the section adjourned.

MEETING OF THE EXECUTIVE COMMITTEE OF THE TRUST COMPANY SECTION.

The Committee met at 12:30 o'clock. Present, Messrs. Potter, Branch, Clark Williams, and Edward H. Reninger.

Upon motion, Clark Williams was chosen chairman of the committee.

The minutes of the last meeting were read by the secretary and, upon motion, approved.

Upon motion of Mr. Potter, James R. Branch was elected secretary of the Trust Company Section of the American Bankers' Association for the next year.

THE CHAIRMAN: Gentlemen, is there any further business?

Mr. Potter suggested that the important thing for the Committee to do is to interest men actively in the Trust Company Section work. He spoke of the laws pertaining to estates and the administration of trusts, and how these laws vary in the different States, making it difficult and complex, sometimes, to know what to do.

Mr. Branch stated that there had been a committee working towards securing uniform laws, that this committee had been doing work along this line for five or six years, and had met with considerable success.

Suggestions were made by all the members of the Committee present in reference to the possibility of securing revision of the laws, and the securing of uniform laws relating to the business of trust companies.

Mr. Branch suggested that if a committee could be appointed, the chairman of whom would remain permanently as chairman, that much more could be accomplished than by having a chairman who would change every year.

Mr. Potter tendered his resignation as a member of the executive committee, for the reason that he had just been chosen vice-chairman of the Trust Company Section, and as such would be, *ex-officio*, a member of the executive committee.

Upon motion, A. A. Jackson, of the Girard Trust Company, Philadelphia, was elected to fill the vacancy on the executive committee caused by the resignation of Mr. Potter.

Thereupon, at 12:45, the committee adjourned, subject to the call of the secretary.

SAVINGS BANK SECTION.

The meeting of the section was called to order on October 20 by G. Byron Latimer, Secretary of the Irving Savings Institution, New York. The first business on the programme was the chairman's report.

G. Byron Latimer: Gentlemen—I am here as your presiding officer to-day not by right, but through force of circumstances. The Hon. Myron T. Herrick, your chairman, has been honored by the Republican nomination to the high office of Governor of the State of Ohio, and is at this time in the midst of his campaign and unable to be present. We shall all miss him from our meeting to-day, and were our by-laws not prohibitory I have no doubt that you would all welcome his reëlection as your chairman.

Your vice-chairman, Mr. James McMahon, President of the Emigrant Industrial Savings Bank, New York, who is somewhat advanced in years and not in good health, found it impossible to travel so far; consequently, as chairman of your executive committee, I am here as your presiding officer. I ask your kind indulgence, as the requirements of speech-making are entirely out of my line.

(Mr. Latimer then read the following report of the executive committee.)

Report of the Executive Committee.

At the meeting of the American Bankers' Association held in New Orleans last November an amendment was adopted to the by-laws establishing a Savings Bank Section similar in scope to the Trust Company Section, and in pursuance of that amendment an organization was effected and constitution and by-laws approved. Officers were elected, consisting of a chairman, vice-chairman and nine members of the executive committee, three each for one, two and three years respectively. The chairman, vice-chairman and three members of the executive committee retire to-day and their places will be filled by election later in the meeting.

Since our last meeting your executive committee, through its Secretary, Mr. Wm. Hanhart, has sent out circulars to each and every Savings institution in the

United States, whether mutual or capitalized, outlining what the new section proposed to do and soliciting their co-operation. We have had a large number of replies and inquiries to our letters, and I believe to-day the American Bankers' Association numbers amongst its members over 500 Savings banks, including trust companies and banks having savings departments, many of them, no doubt, due in a great degree to this organization. I consider this a very good showing for the first year, and hope with your assistance to have that number materially increased during the succeeding year. We have had prepared by some of our members papers, which they will read, upon subjects of mutual interest; these papers will be printed in the report of this meeting and sent to each of our members, and many of us will have occasion to refer to them when questions which they cover come before us from time to time. It is the aim of the section to prepare for circulation such papers of mutual interest and to bring into closer relationship our banks and their affairs where subjects of mutual importance can be discussed.

It has always been a serious question to me why our Savings banks have so many different methods of doing precisely the same class of business; this is true in relation to our methods in the East, and perhaps our Western friends can help us in the right direction. We find it difficult to instruct our depositors upon simple subjects, when asked what this or that bank will require, under given circumstances; and if we could remedy only this small defect we would have accomplished a great deal, and this would tend to make our institutions more popular, if indeed that were possible.

The section has had from the association an appropriation of $1,000, most of which has been used in postage, stationery, clerk hire, and typewriting; and I would suggest that a resolution be offered asking for a like amount for the coming year. If we hope for greater success we must keep our section prominently before all bank officers, and in the absence of personal interviews continue to circularize and write as during the past year.

G. BYRON LATIMER,
Chairman of the Executive Committee, Savings Bank Section.

Gentlemen, I thank you kindly for your attention and with your permission will proceed with the next order of business.

I would like to add, gentlemen, that we would like to have the co-operation of all the members in helping our association along. This is our first meeting, and I must confess that we have here a great many more than I expected to see. We are very thankful for your attendance, and now, with your permission, we will hear the report of the secretary, Mr. Hanhart.

SECRETARY'S REPORT.

Mr. Chairman and Gentlemen of the Savings Bank Section of the American Bankers' Association—As this is the first meeting of this section since its organization in New Orleans last fall, the secretary's report will of necessity be a brief one.

I respectfully report as follows:

The executive council of the American Bankers' Association, at its meeting last spring made to the section an expense appropriation of $1,000; of this amount $690.50 has been so far spent, for clerk hire, printing, stationery, postage, typewriting, etc., and the vouchers for this expenditure were audited by the chairman of the executive committee, and the amount paid.

Our membership now numbers 548, representing about one-half of the Savings banks in the United States.

The establishment of the section has been so unanimously well received everywhere, as evidenced by the large number of letters received from all parts of the country endorsing and approving of the organization, that I feel satisfied that we shall soon increase our membership so as to practically include all the Savings institutions in the United States. I beg to urge every one of you, gentlemen, to endeavor to attain this object by soliciting all the Savings institutions in your city and neighborhood to join the American Bankers' Association and enroll themselves in our ranks. I shall be glad to send blank forms of application to all who may desire to use them. Please explain to your friends that there is no additional expense involved in joining our section; the membership fee of the American Bankers' Association covers it all.

A few complaints have been received regarding the changed rate for membership, as adopted last year, but a few words of explanation have generally succeeded in satisfying such; the fees now vary from $5 to $30 per annum, based on capital and surplus, and the banks having no capital pay on the amount of their surplus. Surely, even the highest fee of $30 cannot be considered as excessive for a bank having over $1,000,000 surplus, while the smaller banks pay less in proportion. The great advantages we derive from membership and through the support of the American Bankers' Association, the most powerful bankers' association in the world, are such that we should all willingly contribute these very reasonable membership fees. WILLIAM HANHART, Secretary.

MR. TUTTLE, of Naugatuck, Conn.: I move that the report be accepted and placed on file.

The motion was duly seconded and carried.

THE CHAIRMAN: The next order of business is the discussion of practical questions and the reading of several papers of interest. I want to state that the first paper, "Some Thoughts on Bond Accounts," by Col. Chas. E. Sprague, President of the Union Dime Savings Bank, New York, will be read by Mr. G. Ad. Blaffer, Cashier of the Germania Savings Bank and Trust Company, New Orleans.

MR. BLAFFER: The paper prepared by Colonel Sprague, President of the Union Dime Savings Institution, of New York, is as follows:

SOME THOUGHTS ON BOND ACCOUNTS.—ADDRESS OF CHARLES E. SPRAGUE, PRESIDENT UNION DIME SAVINGS INSTITUTION, NEW YORK.

As a Savings bank proper is purely an investment machine, the most important branch of its accountancy, next to depositors' accounts, is that of its interest-bearing securities. These are generally of two classes: (1) Real estate mortgages; (2) municipal or corporate indebtedness, usually spoken of as "bonds." From the facts that the physical security is directly available to the mortgagee in case of default and that the term is so short that readjustments of principal and rates of interest can be effected directly, the former class, real estate mortgages, require somewhat different treatment from the latter, in which the variance between the contractual and the market rate of interest frequently results in a premium or a discount. As either of these branches is a very large subject, I will confine myself in this paper to the securities known as "bonds."

SOME CHARACTERISTICS OF BONDS.

A bond is, generally speaking, a promise to pay a certain principal sum at a future date, and in the meantime to pay as interest certain periodical sums. Comparison of a large number of issues show the following tendencies:

The great majority of bonds are for a round sum of money, payable on the first day of some month, the interest being semi-annual and the maturity of the bond being also on an interest day. There are exceptions in every one of these particulars: some bonds are issued for odd dollars and cents, some bear annual or quarterly interest, some pay interest on the 2d, the 15th or the 25th of a month, some mature at a date not coincident with an interest date. It may be observed that these anomalies only hurt the marketability of the bonds and thus injure the borrower without any corresponding advantage. The most numerous bonds at present are four per cents., January and July.

FORM OF BOND LEDGERS.

The first point on which I wish to insist is that the bond ledger, or to use the official language of New York State, the "stock investments" ledger, should be in a specialized form calculated to afford on separate pages the most complete details as to each separate bond investment. The ordinary double-entry ledger is totally inadequate to contain the particulars required, though it will answer for an aggregate account showing in condensed form the total transactions of the kind. The ideal arrangement, in my opinion, is a general ledger of the broadest comprehensiveness, with subordinate ledgers of the most minute particularity. The two opposing demands of comprehensiveness and minuteness confront us in all broad-gauge bookkeeping and can only be met by a complex system of general and special ledgers or systems of accounts, the former giving statistical and the latter individual information.

THE TREATMENT OF INTEREST.

My next suggestion is as to the treatment of interest. I find that in many institutions no regard is paid to the accretion of interest or even its falling due, but it is considered null until it takes the form of cash. I cannot help considering this as not the most perfect way, for several reasons.

Interest revenue has three stages of transmigrations. It accrues from day to day, differing in that respect from dividends which operate instantaneously. Therefore, we have as the first stage accrued interest. This is a valid asset, as much so as the original debt. It is not yet enforceable, it is true, but that may also be affirmed of the original debt. As accrued interest is an indispensable part of every balance-sheet (barring the improbable case where everything has matured on the date of such balance-sheet), it should be recognized in the accounts and not as a mere adjustment. The entry "accrued interest Dr. to interest revenue," or words to that effect, may be made monthly, if the general ledger is on a monthly basis, or daily, if such is the basis; and then not only will the list of assets be correct, but the profit and loss account will be true. Otherwise it will appear as if in some months there was little or no revenue, merely because nothing happens to fall due, and the object of profit and loss accounts, that of gauging success or failure, would be completely lost.

The second stage is that of interest due, to which the interest accrued is transferred on the day of its maturity. If collected on that same day in cash, there will never be any balance on the account of interest due, but this ideal condition is seldom attained. Even if delay is rare, we need the account to chronicle the fact that there is a matured claim for interest outstanding in our favor.

The complete method is to keep accounts under some appropriate names, with interest accrued, interest due and interest revenue, the latter being a subdivision of profit and loss. The two former may without sacrifice of principle be united into one as interest receivable; but the point I am insisting on is that interest is earned progressively and should be so treated, not as if it were an adventitious gain or windfall, dropping in on the particular day when it takes the form of cash.

We are trustees for our depositors. A trustee making his accounting to a surrogate or judge of probate is always charged with the income which ought to be received, and if he has not collected it, must show good cause why not. Similarly, we should charge ourselves with the proper revenue and the charge should stand until disposed of in cash or otherwise.

In the foregoing remarks I have implied that the account of principal should be kept separate from that of interest, and this I deem the clearer and better way, while requiring no additional labor.

PREMIUMS AND DISCOUNTS ON BONDS PURCHASED.

I now come to a most important part of the subject, and one on which there may be considerable diversity of opinion. It is the question of how we shall represent the value of bonds purchased at prices above or below par; in other words, how to dispose of premiums and discounts. I am aware that many institutions of high standing state all their bonds at par. To do this they must necessarily have treated the sums paid for premiums as a loss or an expense and have taken them like other losses from the surplus. In fact, some of them publish with apparent pride the fact that "all premiums are at once charged to profit and loss." I observe that they do not say what becomes of discounts.

To discuss the matter fairly we must consider what this premium is. Why do we pay for a bond more than it calls for or why can we sometimes acquire it for less?

A premium is simply payment in advance for an abnormally high rate of interest, and a discount is compensation in advance for an abnormally low rate of interest. In both cases the compensation is spread over the time that the bond has still to run; it does not apply merely to the present day or the present half-year. By abnormal, I mean differing from the normal, the current, the fair rate of interest on that exact grade of security.

Suppose we desire to invest $1,350 in the bonds of a certain city. We think that 3½ per cent. per annum would be a fair income for that security. If the city would issue to us $1,350 in its obligations bearing 3½ per cent. interest, we would be willing to take it at par no matter what the length of time it had to run, even supposing that all or part of the bonds were payable serially from year to year, say $50 a year.

But suppose there are no 3½ per cent. bonds to be had. There are, however, five per cents. to be had on a 3½ per cent. basis and having forty-eight years, ten months and twenty-nine days to run. We find that our $1,350 will just buy one of these bonds, $1,000 to be paid at twenty-eight years, ten months, twenty-nine days from now, and in the meantime five per cent. interest to be paid, but the net income on the amount at any time invested will be 3½ per cent.

In each of these supposed cases we have invested the same amount at the same rate of interest, principal to be repaid gradually in installments. But those who keep their books at par would say that in the former case $1,350 was invested while in the latter only $1,000 was invested, $350 being lost or sunk. The latter investment, which is thus made to appear the worse, is, in fact, the better in the State of New York, which great Commonwealth, through erroneous economic ideas, taxes thrift, but exempts the $350 if paid in the form of premium, taxing it if it is styled principal.

To reduce bonds as soon as purchased to par by artificially treating premiums as losses and discounts as profits may be an easy process, but that seems to me its only recommendation.

To endeavor to follow the market value from time to time, as many public reports require, is also objectionable for the following reasons:

1. It is based not upon facts, but upon opinions. The investment securities in question are not so continuously dealt in publicly as to be quotable like produce or poultry. Even in active stocks and bonds it is well known that published quotations are not reliable. The appraisals of the same list of securities by two different brokers, each intending conscientiously to give the market price, will sometimes, as most of us know from experience, reveal a discrepancy running into the hundreds of thousands.

2. Besides the uncertainty of market values and their unreliability, they introduce into the profit and loss account and into the estimated margin for dividends an element of chance and fluctuation, which has no place among the actual earnings and outlay, and which vitiates the result. The increase and decrease of surplus is meaningless when it may have been produced by a purely abstract marking up and marking down of the same securities, in which there was not the slightest real change. This is not profit and loss.

Even if we were treating our securities as merchandise bought at one price to sell at another, it would not be good bookkeeping to consider profits made until realized. The only way to make a profit is by selling; no merchant ever got rich by marking up his inventory.

Again, the original cost, while it should be preserved of record, is, as a basis of accounting, equally fallacious with par. The one is in the past tense, what we have paid; the other is in the future, what we shall receive, while the market value is in the potential mood, what we might, could or would receive or pay. None of these represents the actuality, or answers the question, "what is the true numerical representative, in terms of money, at the present moment, of the securities in which we have invested our deposits?"

The only answer I can give after long study of the subject is the amortized value, or the original cost, written up or down, as the case may be, to date, in such a way that upon reaching maturity it will exactly stand at par.

When a bond is purchased at a premium or a discount, the consequence is that it will constantly pay a rate of income less or greater than that named in the bond, on the amount remaining invested, not on par. And applying this principle, there will be found a series of values which I call the amortized values, or the present worth of principal and interest at the net-income rate.

Suppose, for example, a $1,000 five per cent. bond, interest semi-annually, eighteen years to run, is offered you for $1,199.07. You look in the convenient little book of tables and see that at this rate the net income will be 3½ per cent. on the amount invested. If you think that is a fair rate, you buy the bond and the amount invested is exactly $1,199.07, not $1,000 at all. Six months pass by and $25 interest falls due. But is this all income? No, for the interest on $1,199.07, at 3½ per cent., is only $20.98. What, then, is the remaining $4.02? It is simply a part of your $199.07, your premium refunded to you, making the present amount only $1,195.05, and the little book will again corroborate this as the true value at 17½ years. After six months more the $25 will be divided a little differently, $20.91 being income and $4.09 being a second repayment of premium. Continuing this process, the last installment of the premium is repaid out of the last interest.

Another way of looking at it is this: Here is a coupon bond of $1,000, with thirty-six coupons attached. These are just as much promises to pay as the bond itself. Hence there are thirty-seven future sums receivable, one big one represented by the big engraving, $1,000 payable in eighteen years, and thirty-six little promises of $25 each at various dates six months apart. The $1,000 discounted at 3½ per cent. compound is worth now only $535.50. The coupons are worth various amounts from $24.57 for the first coupon down to $13.39 for the last one, in all $663.57; making the total value of the big promises and the little ones $1,199.07. The same calculation applied at the next period gives the value $1,195.05, showing the same repayment or amortization of $4.02.

The account of premiums and discounts may be kept separate from that of par if preferred, and this I regard as entirely correct. What I object to is the practice of annulling the premiums and discounts and treating them as non-existent.

In the institution with which I am connected we have in the general ledger an account for the par and a separate one for premiums; the sum of the two always gives the book value or amortized value. In the special ledger for bonds, known as the "stock investments ledger," we adopt the other plan and use four columns; par, original cost, book value, and market value. The latter is not a bookkeeping figure, but a mere memorandum for future reference. The four columns are the ones required by the Bank Department of our State for its reports.

Our stock investments ledger is of the loose-sheet kind and each lot of securities has devoted to it two pages of different tints, one for principal and the other for interest. The "principal" page is kept by addition and subtraction, and is headed by a descriptive form in detail. The "interest" page has the interest dates printed in advance for many years, sheets having been printed for each variation "JJ." "FA," "MS," "AO," "MN," or "JD," and the proper ones being selected when the account is opened. Each "JJ" sheet has an index-tab near the top, the "FA" a little lower, and so on, so that the pages for any interest-date may be readily found.

Successive Values of a Bond for $1,000,000. Interest Five Per Cent. Per Annum, Payable Semi-Annually; Purchased on a Three and One-Half Per Cent. Basis.

PERIODS ENDING	*Interest at 5%.*	*Net income at 3½%.*	*Amortisation.*	*Book value.*
1900, Dec. 31	....	Cost.	....	$1,199,070.65
1901, June 30	25,000	$20,983.73	$4,016.27	1,195,054.38
Dec. 31	25,000	20,913.45	4,086.55	1,190,967.83
1902, June 30	25,000	20,841.94	4,158.06	1,186,809.77
Dec. 31	25,000	20,769.17	4,230.83	1,182,578.94
1903, June 30	25,000	20,695.13	4,304.87	1,178,274.07
Dec. 31	25,000	20,619.80	4,380.20	1,173,893.87
1904, June 30	25,000	20,543.14	4,456.86	1,169,437.01
Dec. 31	25,000	20,465.15	4,534.85	1,164,902.16
1905, June 30	25,000	20,385.79	4,614.21	1,160,287.95
Dec. 31	25,000	20,305.04	4,694.96	1,155,592.99
1906, June 30	25,000	20,222.87	4,777.13	1,150,815.86
Dec. 31	25,000	20,139.28	4,860.72	1,145,955.14
1907, June 30	25,000	20,054.22	4,945.78	1,141,009.36
Dec. 31	25,000	19,967.66	5,032.34	1,135,977.02
1908, June 30	25,000	19,879.60	5,120.40	1,130,856.62
Dec. 31	25,000	19,789.99	5,210.01	1,125,646.61
1909, June 30	25,000	19,698.82	5,301.18	1,120,345.43
Dec. 31	25,000	19,606.04	5,393.96	1,114,951.47
1910, June 30	25,000	19,511.65	5,488.35	1,109,463.12
Dec. 31	25,000	19,415.61	5,584.39	1,103,878.73
1911, June 30	25,000	19,317.87	5,682.13	1,098,196.60
Dec. 31	25,000	19,218.44	5,781.56	1,092,415.14
1912, June 30	25,000	19,117.27	5,882.73	1,086,532.31
Dec. 31	25,000	19,041.31	5,985.69	1,080,546.62
1913, June 30	25,000	18,909.57	6,090.43	1,074,456.19
Dec. 31	25,000	18,802.98	6,197.02	1,068,259.17
1914, June 30	25,000	18,694.54	6,305.46	1,061,953.71
Dec. 31	25,000	18,584.19	6,415.81	1,055,537.90
1915, June 30	25,000	18,471.91	6,528.09	1,049,009.81
Dec. 31	25,000	18,357.67	6,641.33	1,042,367.48
1916, June 30	25,000	18,241.43	6,758.57	1,035,608.91
Dec. 31	25,000	18,123.16	6,876.84	1,028,732.07
1917, June 30	25,000	18,002.81	6,997.19	1,021,734.88
Dec. 31	25,000	17,880.36	7,119.64	1,014,615.24
1918, June 30	25,000	17,755.77	7,244.23	1,007,371.01
Dec. 31	25,000	17,628.99	7,371.01	1,000,000.00
	$900,000	$700,929.35	$199,070.65	....

The accounts are arranged in classes, first United States bonds, then bonds of the several States, then bonds of cities in other States, then cities, counties, towns, villages, and school districts within the State, and finally railroad mortgage bonds, bringing the information into the exact order required by the State Superintendent of Banks for his report.

Recurring to the question of valuation, I am of the opinion that the amortized value, or the present worth of principal and interest at the net-income rate, should not only be adopted in our bookkeeping, but should be the legal standard and the normal basis for estimating surplus in all official and public statements.

THE CHAIRMAN: Gentlemen, it was the intention to have these papers discussed, but inasmuch as the paper just read by Mr. Blaffer was not read by the gentleman who wrote it, I think it would be quite out of the question to enter into a discussion of the subject just now.

We have a paper upon Savings Bank Advertising, prepared by Mr. Lucius Teter, Cashier of the Chicago Savings Bank, Chicago, and it will be read by Mr. Joseph E. Otis, Vice-President of that institution.

SAVINGS BANK ADVERTISING.—ADDRESS OF LUCIUS TETER, CASHIER CHICAGO SAVINGS BANK.

It is not my thought in this brief paper to handle the question of Savings bank advertising in an exhaustive manner, but rather to speak in a general way concerning the subject, and to mention a few ideas that have been of value to me.

It is well to let one officer of the bank take the supervision of all advertising, having, of course, the counsel of his associates, for nowadays there are so many plans offered, all calling for the expenditure of money, that it really requires the careful attention of one man to direct a fixed policy and prevent the scattering of much money into channels other than the ones in which your real effort lies, for all good advertising is good, but some kinds are better than others.

SAVINGS BANKS SHOULD ADVERTISE.

We will pass quickly over the question as to whether you ought to advertise, although, let me say, in a general way, that Savings banks should advertise and in most cases must advertise to enable them long to continue a steady growth.

It is also true that all Savings banks in the United States cannot advertise alike, but in every case a dignified effort should be made to inform the public of a readiness, a willingness, and an ability to care for the funds of the people. I say dignified, because I do not believe that a Savings bank should ever use cheap, funny or prize-package schemes for obtaining depositors, or in any way employ methods that could be misunderstood, for our trust is great. The public feels that it is, and is quick to see anything that savors of disrespect or a mere trade attitude in the matter of caring for those funds which, after all, represent secretions, large or small, from the lives of our fellow men.

On the other hand, don't publish a list of your directors in the local paper or put a card in the church calendar and a picnic programme and let it go at that. Rather carry out a definite policy of publicity, manfully telling the people who you are, where you are and what you can do for them.

METHODS TO BE AVOIDED.

Many of us make a mistake, it seems to me, of either scolding or preaching in our advertising. Compiling figures on how much the individual would profit by smoking no cigars or by staying away from the theatre, seems too personal and is not expected of us. I also feel that the time-honored dollar that accumulated so much interest in twenty-five years has been spent somewhere along the road; at any rate, it now seems to have lost much force as an argument, and indeed it was a long time to wait for so little.

SETTING FORTH THE ADVANTAGES OF A SAVINGS BANK.

As a rule we must take the man who wants to save and tell him how; for, after all, we don't get many unwilling savers upon our books. Modestly tell your man about the strength of your bank, who are its officers, trustees or directors; tell him of its convenient location and hours; tell him that he can secure a bank book by making a deposit of $1 on which a fair rate of interest will be paid; tell him that you are willing to advise him at any time about his business affairs; tell him that when he needs all or part of his money you will have it for him. All these things he wants to know and likes to have you tell him.

In making a choice of the mediums to be used in reaching your man, you must consider the conditions in your own particular locality. Newspaper advertising is good, and I would advise that a part of every advertising appropriation be used in this way. In selecting newspapers for savings advertising, don't select one because it has the best financial circulation, but use those that circulate most largely among the general public.

However, the great expense of newspaper advertising, and the number of advertisers, especially in the large cities, creates a condition that leaves much to be desired; besides that, you will want to get nearer to your prospective depositors than you can in that way. A booklet, brief and direct in its simple statements, furnishes the foundation for personal effort, either in your banking office or outside.

Let one of your officers, or a representative, call upon the employers of labor in the neighborhood tributary to your bank asking their co-operation in bringing the matter of savings to the attention of their people. As a rule you can obtain their support, as all right-minded men want their employees to save.

Ask them to use pay-envelopes furnished by you and bearing your message printed upon the face. Put up a neatly-framed sign of your bank in their workshops, and secure from the company or firm a list of the names of their employees —these names you can transfer to a card-system for use later on in sending out booklets and personal letters.

Make an occasional visit to see that your signs are up and that you are not forgotten; before long you will have depositors from this shop who become centres for more growth later on.

Seek the active support of your depositors. Our bank always writes a personal letter to each new depositor, acknowledging that our officers are glad to have him with us, and while offering him a welcome and the use of our services, we suggest that we would be glad to have him mention us to his friends.

These and many other plans will suggest themselves to you, some no doubt having been offered to you many times. But in closing let me emphasize this: secure and keep the good will of your depositors; that is the greatest of all advertisements; without it none is of avail. Give them every possible help and comfort in transacting their business; if many people in the community cannot conveniently visit a bank during your regular hours, keep open one evening a week for the savers. It is not undignified to give a needed service.

COURTEOUS TREATMENT OF DEPOSITORS.

Require your employees to be absolutely courteous to everyone, particularly to the ignorant. If your tellers haven't time to care for them, have enough officers to see to it that every person is well treated and if possible made to feel so. The pleased ones will soon circulate the report that your bank is not run by a lot of unsympathetic aristocrats, but by plain, every-day men like themselves. Wait on your depositors as promptly as possible; let your savings system be as simple as is consistent with safety.

Maintain at all times a sense of your obligation to the public, and certainly moderate success will be yours. Should great success not attend you, you can feel that after all the greatest things are included in gaining the respect of men and of your own conscience.

THE CHAIRMAN: We will now listen to a paper on "Dangers Threatening Savings Banks," by Fred Heinz, President of the Farmers and Mechanics' Savings Bank, Davenport, Ia.

THE DANGERS THREATENING THE SAVINGS BANKS.—ADDRESS OF FRED HEINZ, PRESIDENT FARMERS AND MECHANICS' SAVINGS BANK, DAVENPORT, IOWA.

At present the Savings banks throughout the country are in a prosperous condition; no doubt it is the aim of all interested that they should be kept so.

The dangers that threaten the Savings banks in common with other banks are inefficiency and sometimes dishonesty in the management by those in charge on the inside, and occasionally efficiency by the non-employees in getting at the funds from the outside.

In addition to this all the Savings banks are threatened with a greater danger, that of losing deposits on account of Government Savings banks should such be established; the agitation for Government Savings banks is considerable, and should ordinary Savings banks fail to any great number, it would no doubt hasten the establishment of Government Savings banks. The main argument in favor of a Government Savings bank is that it absolutely protects the deposits. There are, however, many objectionable features.

SAFEGUARDING DEPOSITS IN SAVINGS BANKS.

To keep the present Savings banks in popular favor it is absolutely necessary that the greatest safeguards be provided for the safety of the deposits. When this is done the cry for a Government Savings bank will cease, otherwise not.

No doubt the best part of a Savings bank is that loans be good and kept good. Many States have laws fixing the kind of collaterals that Savings banks can invest in; for instance, the Iowa law permits investment in real estate mortgages on property located in the State, Government bonds, and bonds, warrants, and evidences of debt issued in the State, and may make loans upon commercial paper, notes, bills of exchange, drafts, or any other personal or public security, but not on the bank's own stock. The general drift of this Iowa idea is that the securities be local securities, and that is the rule also in many other States, and it is no doubt a good one, for the closer the borrower is to the lender the easier it is to look after the securities.

The Iowa Savings bank law is modeled after the National Bank Act. Among other safeguards we have examination by a State Bank Examiner, and the law originally provided that the bank could not take more deposits than ten times its capital stock. Now this has been changed to twenty times its capital stock and surplus, hence when the bank has deposits up to the limit the security of the depositors is not so good as it was before. This, I believe, is wrong. All laws should be made to give the public as abundant security for their money as a safe and conservative banking business will justify.

The investments of the Savings bank should be of such a character that there be no shrinkage of the principal, and in such shape that they can be disposed of in case of need within a reasonable time.

A MODEL SAVINGS BANK LAW.

It would be well to have good Savings bank laws enacted in every State of the Union. In most of its features the laws of the various States might be identical, although that would not be so necessary as the uniform law on commercial paper which travels over many States, while the Savings bank paper is usually local in its character.

It might be well to have a committee appointed by this body to get all the statutes of the various United States together and from them and other sources form a bill that can act as a model for the Legislatures of the various States.

Such a bill wherever enacted by the lawmakers would add to the popularity of the Savings bank.

And I, therefore, move, Mr. Chairman, the adoption of the following resolution:

"Resolved, That the chairman appoint a committee of three members, who are to produce the complete statutory enactments referring to Savings banks of the various States of the Union, and that thereafter the said committee, after receiving suggestions from those interested, proceed to prepare such a bill as, in their opinion, would be proper and suitable for adoption in every State of the Union, and that when so prepared the same be submitted to the next annual convention of this body for further action.

The motion was duly seconded, and was adopted.

Thereupon, the chairman appointed the following committee: Fred Heinz, President Farmers and Mechanics' Savings Bank, Davenport, Ia.; E. J. Parker, Cashier State Savings, Loan and Trust Company, Quincy, Ill., and W. C. Laycock, Cashier of the Anthracite Savings Bank, Wilkesbarre, Pa.

THE CHAIRMAN: The next paper is entitled Trust Accounts in Savings Banks, by Mr. William Hanhart, of New York city.

TRUST ACCOUNTS IN SAVINGS BANKS.—ADDRESS OF WM. HANHART, OF NEW YORK.

The subject of the so-called "trust accounts" in Savings banks has always been a difficult one to handle. The matter is apparently a little intricate; the usages of Savings banks differ greatly, and so does their experience, and it is with the desire of somewhat clearing up the matter that I venture to state in as brief a manner as possible, and in a general way, the governing principles underlying the subject, with the hope that by giving the views of an experienced bank officer I may draw out the opinions and experiences of others, older in the business, and with a better understanding, and more competent to reason the subject out. That wonderful collection of wise saws, Solomon's Book of Proverbs, says: "In the multitude of counsellors there is safety," and indeed it might be added, there is also wisdom, and I should much like to hear the opinions of others, feeling satisfied that a free and full discussion will prove of benefit to us all; it may be as well to state that I don't mind one bit being interrupted, and if what I shall say does not appear to you correct, or clear, please say so, bearing in mind that I am no lawyer, but merely a plain, every-day sort of a layman.

To begin with, it must be understood that I address myself only to Savings institutions, both mutual and capitalized, doing a real Savings bank business, and not to Savings institutions that are especially empowered by their charter, or by the laws of their State, to accept and carry out trusts; the latter have trust officers and also counsel to advise them in all cases. I am but a layman, speaking to Savings institutions who accept deposits of trusts, or in trust, mainly as depositories of the funds, and acting under the common law generally recognized throughout the United States; and, therefore, I do not take into account the special conditions or modifications, if any, that may be imposed upon them by the statute law of their respective States; only a few States, however, have special laws governing such Savings banks accounts.

TRUST ACCOUNTS DEFINED.

In the first instance, let us consider what accounts are usually called trust accounts. They may be broadly stated as all accounts that are opened, or transferred, not simply in the name of one depositor, but having attached to them some qualifying clause; such as in trust for another, or for another, or opened in several names, or in the name of a society or corporation, or payable in a certain contingency, etc., etc.; in short, all accounts that are not simply in the name of one depositor. For the purpose of clearness I will divide them in six parts, viz.:

1st. Accounts opened by one person for another, or in trust for another.

2d. Joint accounts.

3d. Alternative joint accounts.

4th. Accounts of administrators, executors, guardians, etc.

5th. Accounts payable in a given event, or subject to special conditions or limitations.

6th. Society or corporation accounts.

I will now proceed to discuss these several divisions.

The accounts opened by one person, called the trustee, in trust or for another person, called the beneficiary, or cestui que trust, are the most common form of trust accounts and the only ones justly entitled to be called trust accounts; the practice of Savings banks differs considerably in handling them, the most usual way being to allow the trustee control of the fund during his lifetime, and if the account is still open at his death to pay the remaining balance to the beneficiary, or cestui que trust; in a large majority of cases, they are bona-fide accounts, opened by thrifty depositors, who desire that in the event of their death their wife, or husband, or child, or some near relative, shall receive certain sums without incurring the expense of engaging lawyers, paying surrogate or probate fees, etc., etc. The amounts are usually small, and in most cases the recipients can ill afford the time and money needed to probate a will or petition for the appointment of an administrator. It has been said that it is not the business of a Savings bank to make the will of a depositor, but I fail to see any serious objection to it as long as this so-called will disposes only of money deposited in the bank, representing the savings of thrifty, hard-working people, who will not bother with lawyers, and will make no will. However, it may be said, in a general way, that these accounts cannot be usually considered as legal and valid trusts, but that they are voluntary trusts, the trustee when opening the account stating that he intends it for the benefit of a certain person, the cestui que trust; he keeps full control of the account during his lifetime, and this is correct, as the quality of a trust is that the trustee does not part with the property, but keeps it under his control; at his death, the fund, or whatever balance there is left, is to be paid to the beneficiary named.

RULES GOVERNING TRUST ACCOUNTS.

In the absence of other notice, these accounts may be considered as constructive trusts, and in some respects they may also be likened to a gift causa mortis, but with this difference: that in the latter case the donor must die of his then-existing sickness to render the gift valid; with this exception, they are very similar to them, and, like them, require a witness, and in these accounts the bank is the witness. As a matter of fact, if the matter is brought up for judicial decision, it will be found that the intent of the depositor at the time of deposit governs, and that all the surroundings, facts, circumstances, and declarations will be taken into consideration; whether the trustee made the deposit a gift inter vivos with himself as the self-constituted trustee, the bank knows not; the consensus of legal decisions appears to be that something more than the mere opening of an account for another, or in trust for another, is necessary to make the deposit an actual gift, that is, either a gift of the bank book to the cestui que trust, or some act or declaration to show the intention of the trustee; to infer a gift from the form of the deposit only is not usually considered sufficient. So far as the bank is concerned, when at the death of the trustee the cestui que trust presents the bank book and demands payment, the bank may well understand that the gift has been completed and that it is authorized to pay him.

In some States the statute law recognizes and regulates these accounts; for instance, in my own State of New York, the Savings bank law permits the funds to be paid to the cestui que trust at the death of the trustee; in the absence of notice in writing of the existence of a legal and valid trust. This obviates the necessity, which otherwise would exist, of applying to the supreme court for the appointment of another trustee; as it is a principle of the law thht a trust is not impaired by the death of the trustee. Common law, however, usually governs these cases, and generally speaking it may be said that a fund left voluntarily in trust by one person for another person, and without any further notice, may be paid to that person at the death of the self-constituted trustee, and so far as the bank is interested, it is quite safe for it to do so, and that it is carrying out the intention of the depositor as stated by him when opening the account.

PAYMENT IN CASE OF DEATH OF TRUSTEE.

It sometimes happens that at the death of the trustee his legal representative presents the bank book and demands payment; in such cases, whenever possible, endeavor to obtain the receipt of the cestui que trust in addition to that of such legal representative; but if found impracticable, a payment to this legal representative, in the absence of adverse notice, is lawful, as it has been decided that the bank has no right to enquire into the character of the trust, and owes no duty to the beneficiary, until the latter, by notice, or forbidding payment, or demanding it for himself, created on the part of the bank such right and duty. However, experience has repeatedly shown that payment to the cestui que trust is best and safest, for it often happens that after payment is made to the legal representative of the trustee, at some future time the cestui que trust hears of the existence of the account, and then he promptly sues the bank; of course the bank has a valid defence; but all this is avoided when payment is made to the cestui que trust.

In some cases the cestui que trust is fictitious, the deposits having been made in the form of a trust account so as to benefit from the higher rate of interest allowed by some banks on smaller deposits, or to avoid the legal or fixed limit of deposit; this need occasion no worry, although, of course, such accounts should not knowingly be accepted and are not desirable; but if they are opened, in the event of the death of the so-called trustee, a payment to his legal representative is absolutely safe and lawful, as there naturally can be no adverse claim from the imaginary cestui que trust.

DEATH OF THE TRUSTEE OR BENEFICIARY.

Another contingency is the death of both the trustee and the cestui que trust whilst the account stands open; if the latter died first, it may well be considered that the trust is extinct, being a personal one, and payment may be made to the legal representative of the trustee on presentation of the bank book; if the trustee died first, payment should then be made to the legal representative of the cestui que trust.

It may also happen that the cestui que trust finds out, at the death of the trustee, that the fund originally deposited in trust for him has been withdrawn by the trustee previous to the latter's death; he then sues the trustee's estate for the amount, and sometimes the bank also; but I need hardly say that the bank has a perfectly valid defence. It may be said, in a general way, that the bank knows nothing as to the equities between the trustee and the cestui que trust, and is simply acting as a depository of the funds of the depositor, agreeing with him that at his death, in the absence of adverse claim, it will pay whatever balance remains, on the demand of the beneficiary. Regarding the form of these accounts, I advise that they be opened simply in this way: "John Brown for son James," avoiding the use of the word trust; the bank not being empowered to carry out trusts, and acting only as a depository of the funds, with a simple, possible, contingency, out of abundant caution avoid even using the word trust; in the same line of caution do not transfer such trust accounts from one beneficiary to another, or to another account, but let the trustee withdraw the deposit and close the account, and then, if he chooses, he may open another account in trust for some other person, or in any other acceptable way.

Accounts are sometimes opened thus: "John Brown in trust for his children," or "John Brown in trust for his children, Mary, Jane, and James." These accounts should be refused, as the omission of the names of the children may give trouble in case of children born after the date of opening the account, or in case of deceased children leaving descendants; at all events, not more than one beneficiary should be named, as the death of one of several named beneficiaries may complicate matters considerably; better give John Brown several books, one for each of his children, for whatever amount he desires him or her to receive.

Avoid also opening accounts with two trustees, such as "John Brown and wife Mary for dau. Jane"; or "John Brown or wife Mary in trust for dau. Jane." It will surely lead to unwelcome complications. Do not open such accounts as "John Brown trustee," or "John Brown in trust," without naming the beneficiary; in short, let all trust accounts, such as we have been discussing, be opened simply by one person, or trustee, for one other person.

In Great Britain it is permitted by law to the depositor, when opening his account, to designate the person to whom he desires the balance to be paid in the event of his death, and he may change the beneficiary at will; but I understand that this method would conflict with the laws of the different States here, and is in fact impracticable.

To resume the whole subject, I will state that in my opinion, Savings banks accounts opened by one person for, or in trust for, another, may at any time be withdrawn by the trustee, and in the event of the death of the latter the remaining balance, if any, should and may safely be paid to the cestui que trust on presentation of the bank book and in the absence of adverse claim; but if the cestui que trust is not to be found, or does not exist, and the legal representative of the trustee presents the bank book, payment may be made to him in the absence of adverse demand.

FORMS OF JOINT ACCOUNTS.

Joint accounts, such as "John Brown and Tom Jones," subject to withdrawal only on receipts signed by both parties, are opened by some Savings banks, but I have always considered them unsatisfactory to both the bank and the depositors, and experience has proved them to be dangerous, because in the event of the death of one of the parties the question invariably arises, may the bank pay on the receipt of the one surviving depositor? To whom did the fund really belong? Of course, payment may be refused and a settlement waited for through the courts, but this is not advisable in any event, and for years past many of the progressive banks have refused to open such accounts; they are not safe to the bank, and often become a source of contention, lawsuits, and quarrels among the depositors, and I advise refusing them altogether.

We now come to the alternative joint accounts, such as "John Brown or wife Mary," the agreement of the bank being to pay either one of these depositors on presentation of the bank book. Such accounts I consider as safe to the bank, and without doubt they are very useful and helpful to the depositors. In the majority of cases they are opened jointly by near relatives, such as husband and wife, mother and daughter, sisters, etc., etc., who clearly and easily understand that any one of them may withdraw the funds, and also that the death of either does not interfere with the account in so far as that the survivor may withdraw or transfer the balance. The bank takes no account of and ignores the death of one of the depositors, as the survivor is sufficient to withdraw, and in the event of the death of both depositors whilst the account is still open, and in the absence of adverse claim, payment to the legal representative of the last survivor is correct and lawful. Depositors of such accounts may be legally termed joint tenants, the fund being payable to either one of them or to the survivor; and indeed I know of one Savings bank who entitles these accounts on the bank books in this fashion: "John Brown and Mary Brown, joint tenants, payable to either on presentation of the book, or survivor." This seems very comprehensive.

It is well for us to bear in mind that deposits in the alternative form represent usually the joint total savings of poor and thrifty people, who think it useless to make a will, and will not employ lawyers; they understand that the survivor takes, and I consider the bank is quite safe in such accounts. The Savings institutions to whom this is addressed, have for their principal object the providing of safe depositories for the comparatively small savings of the frugal and thrifty, and they should provide their patrons with all possible conveniences, within the bounds of safety, for the handling of as well as for the disposing of such small savings.

ACCOUNTS OF EXECUTORS, ADMINISTRATORS, GUARDIANS, ETC.

Before discussing the accounts of executors, administrators, guardians, etc., I must repeat that I am addressing only banks acting as depositories of the funds, and making no undertaking as to carrying out the trust; with this understanding, I will now proceed.

Executors' accounts should always be opened in the name of the estate, whether they be new accounts or transferred from the account of a deceased depositor, and power should be given to the executor to make withdrawals; as a general rule, when several executors are named, the receipt of any one of them who has qualified is sufficient to bind the estate. In the event of the death of the executor, the only safe course for the bank is to pay on letters of administration cum testamento annexo; that is, with the will annexed. Payment under similar circumstances has been made to the legal representative of the executor and has been upheld in some courts; but I would advise against it, as it may involve the bank in litigation, whilst payment to a legal representative of the estate, presenting the bank book, is always lawful and the safest way.

The above remarks apply to administrators' accounts, except that if several administrators are named, it is safer to pay only on the joint receipt of them all. In the event of the death of the administrator you should require the appointment of an administrator de bonis non on the estate, and pay him only.

Guardian accounts should be opened or transferred in the name of the guardian, stating the minor's name. In the event of the death of the guardian it is well to require that a new guardian be regularly appointed, unless the minor has, in the meantime, reached his majority, when payment may be safely made to him, or her, as guardianship ceases ipso facto when majority is reached. If the amount is small, and no new guardian is appointed, it is often found convenient and advisable to wait until the minor is of age, when the payment made to him becomes legal. If the account is opened by, or in the name of, a minor, payment to such minor at any time is legal in most of the States.

The papers appointing a committee or guardian in lunacy should be closely scrutinized, and proof shown of the filing of a sufficient bond. The laws of the several States vary considerably on this subject, but we must not lose sight of the fact that in this blessed land of ours no man may be deprived of his property without due process of law, and it is well for us to see, before transferring a lunatic's account to his committee, that all the proceedings were regularly conducted. Some States have special commissions in lunacy, which simplify matters considerably, but as a general rule I will say that Savings banks not authorized to undertake trusts are better off without such accounts, which properly belong to trust companies. If they are only transfers from the accounts of depositors who have become insane, they are justifiable, but the bank must use its best endeavors in protecting the interests of such unfortunate depositors.

Letters of administration or testamentary granted in another State, or abroad, are of no force in your own sovereign State. In such cases, at the death of the depositor, ancillary letters should be required. Bany banks, however, will pay if the foreign administrator or executor assigns his claim and interest to a person residing in the State where the funds are. Payment to such assignee is usually considered safe, for the reason that a payment made to a foreign administrator or executor, not being enforceable, is a voluntary one, and is no defence to the bank, whilst a payment made to his assignee resident of the State may be considered as not voluntary, because this resident may enforce his claim through the courts, and therefore, everything else being correct, this payment becomes a lawful one.

Accounts payable in certain contingencies, such as to date of payment, or subject to any special limitations as to payment of principal or interest, are not desirable, and I advise all Savings banks not specially authorized to carry out trusts to refuse them; they involve a risk and responsibility foreign to their business, and should be turned over to the trust companies who are especially empowered to act in such cases.

SOCIETY ACCOUNTS.

The practice of Savings banks differs widely as to Society accounts, many refusing them altogether. There is no denying the fact that they are occasionally troublesome, because of dissensions of the society, or among its officers, but with reasonable care I believe that they may be safely opened.

These accounts are usually those of charitable, benevolent, religious or fraternal associations, lodges or councils, and sometimes of pleasure or social clubs; some banks require the signatures of a given number or a majority of trustees; others require the production of the by-laws showing authority of trustees or officers to make withdrawals, but many of these societies, have no printed by-laws at all and are not incorporated. I advise opening all such accounts in the name of the society, and make them subject to the draft of a designated officer. When opening the account, an extract from the minutes of a general meeting should be presented, attested by the President and Secretary, giving the resolution empowering the designated officer, until further orders, to deposit and withdraw from the bank the funds of the society. If there is a seal, keep an impression of it and require it on all drafts, notices, etc., as additional security. When a change of officers occurs through death, resignation, or election of successors, require a certified copy of an extract of the minutes of the meeting giving signatures of newly authorized officers. A blank form of authorization, drafted by the bank, should be used.

SERVICES THE BANKS SHOULD RENDER THEIR DEPOSITORS.

And now to resume and conclude this long discussion, I will state that within reasonable limits, and subject to the special laws of each State, Savings banks who exist primarily for the accommodations of the thrifty poor, the industrious and careful mechanic, artisan and clerk, for the women and children, and for all who are desirous of improving their condition and safeguarding their future, I say that Savings banks should use their best endeavors to accommodate their depositors and encourage them in their saving habits. As a rule these depositors know nothing as to the law, cannot afford to employ lawyers, and they place their reliance on their friendly Savings bank, expecting it to carry out their wishes. Some of the older Eastern Savings banks have become so conservative that they refuse accounts other than those opened in the name of one person, on the ground that all others give trouble and involve risk; but, it may be asked, is it possible for us to receive deposits, loan and invest, and make payments, without incurring some risk? We shall always have some trouble in business, but as long as we adopt simple and reasonably safe rules for the conduct of our business, exercise vigilance, wisdom and good common sense in handling accounts, I believe that the risks are comparatively small, and only such as are incident to any business of this character. I would caution my friends, fellow officers of Savings banks, against turning over to their lawyers the settlement of their trust accounts; confer with your lawyers from time to time, get clear ideas of the laws of your State, watch the decisions of your highest court (the lower court's judgments in Savings bank cases are often extraordinary and conflicting), and then make up your mind and decide as to the best course to follow. Personally I have great liking and respect for lawyers, and occasions will arise when you will be glad to have a good one to take up a case for you, but I earnestly advise especially the younger Savings bank officers to themselves study the banking law, watch legal decisions, frequently confer with other Savings bank officers, in short, to fit themselves to handle intelligently and successfully the increasing business that will surely come to the progressive Savings institutions who desire to accommodate their depositors by opening for them these so-called trust accounts.

Legally the relation between the Savings bank and its depositor is that of debtor and creditor, but morally we may well consider ourselves as trustees, and as such bound to act as the best friends of our depositors, as well as their bankers. We must realize their limitations, help them in all that is safe and practicable, and inspire them with a feeling of friendliness with the bank as well as a knowledge of the safety of their savings. By doing so we shall carry out the purpose to which the majority of us owe our corporate existence, and that is the furthering of our magnificent system of Savings banks, self-educating and helpful, a maker of character and good citizenship, unequalled in all the world, and having now in its care over $3,000,000,000 of the savings of our hard-working, thrifty, and enterprising people.

THE CHAIRMAN: The next paper is entitled Savings Banks That Have Failed, by Mr. Willis S. Paine, President Consolidated National Bank of New York, and the address, in the absence of Mr. Paine, will be read by Mr. James Thorne, Assistant Cashier of the Consolidated National Bank, of New York city.

SAVINGS BANKS THAT HAVE FAILED.—ADDRESS OF HON. WILLIS S. PAINE, PRESIDENT CONSOLIDATED NATIONAL BANK, NEW YORK.

Savings banks are a latter-day institution. This fact is evidence that in the development of the world's civilization the moral and material keep each other company and progress to a common end. The countries that are developing material prosperity witness the growth of benevolent institutions among their people—institutions for the care and comfort of the dependent and the housing the great army of incapables.

SAVINGS BANKS ARE BENEFICENT INSTITUTIONS.

Any institution that encourages frugality and provides means for the safe-keeping of savings serves a better purpose, in inducing provision for the future, than do almshouses for the improvident. Viewed in this light, Savings banks cannot fail to be regarded as among the most beneficent of our modern institutions. I venture to express the conviction that however the people of the State may desire to accumulate, by securing large returns, for the use of their money, those people sadly miss it who do not lay up in the present as against the inevitable future. That State misses it which fails to provide for this purpose by establishing Savings institutions for the encouragement of thrift, where savings may be deposited in security, and the laborer may, when the years have gone by and the hand has lost its cunning, have recourse to a fund provided through sacrifice, and which the inducements of the well-managed Savings bank have enabled him to accumulate.

STRENGTH OF THE SAVINGS BANKS.

The recent wonderful development of our country has made us as a nation optimistic, yet the experience of the past, with its failures, should not be forgotten. Rightly utilized they should give us accurate judgment in place of a cheery expectancy born of desire. And here let me say that with some exceptions and because of the very character of those exceptions, the broad claim that our mutual or non-capitalized Savings banks are to-day the strongest corporations, in a comparative sense, of all the financial institutions of our land, is fully substantiated.

It may be thought a strong statement to say that directors of Savings banks should be held to the strict accountability of individual trusteeship. We admit that Savings banks are corporations, and this would seem to absolve individual responsibility as incorporation usually does. But reflection will show that this peculiar and individual trusteeship, and its resulting duties, is a verity.

When I became the Receiver of the Bond Street Savings Bank, of New York city, this rule was emphasized in the litigation against the trustees of that institution, and it was held that a Savings bank was itself a trustee; that its function was the receiving of deposits and the investment of them for the use of the depositor, and that every transaction of the Savings bank was made under fiduciary responsibility. This in substance was the opinion of the able referee, Clifford A. Hand, who tried the case in the first instance. When he made this ruling it was considered by the bar one of striking force and novelty.

INJUSTICE OF TAXING SAVINGS BANKS.

It was this general rule of trust relation of Savings institutions, as well as the innate justice of the ruling, that, at the meeting of this Savings Banks Section last year at New Orleans, induced me to oppose the latter-day tendency to tax Savings banks deposits. Considering that Savings banks represent the frugalities of a people; considering, too, that these people form a part of the great multitude who pay the bulk of indirect taxation; and considering that they are conducted for the public good and not for corporate or personal aggrandizement, it seems only just that they should be freed from the burden of taxation by the State, as is the case with other beneficent institutions.

To tax the deposits of Savings institutions is to discourage the placing by wage-earners of their gains with such corporations. Not only are the dividends which they receive lessened by the amount of the tax paid, but the knowledge that the earnings are to be taxed and thus diminished, acts as a deterrent. To tax the accumulations of the provident poor is often to tax the insurance which protects their offspring from becoming public charges in the event of the death of the parents. Yet the Legislature of the State of New York enacted a law the year before last, which provided that every Savings bank shall pay an annual tax equal to one per cent. on the par value of its surplus and undivided earnings. The unwisdom of the enactment of this law is evident when it is remembered that a surplus is created to the end that when investments depreciate the depositors may receive in full upon demand the moneys deposited together with the earned dividends. It is especially the duty of this Savings Bank Section to foster a growth of public opinion adverse to this phase of tax legislation.

The incumbent of a Savings bank receivership is necessarily brought into close contact with the sufferings of deserving people, caused by its failure, and is thereby deeply impressed with the absolute necessity of throwing every possible safeguard around their deposits. He realizes also that the taxation of these bulwarks against socialism is as wrong as the enactment of loose statutes relating to investments; and let me further say, socialism is a coming danger that must not be ignored. The figures made public by the Commissioner General of Immigration for the year ending June 30 last, show the wholly unprecedented number of 875,046. This is an increase of thirty-two per cent. over the preceding twelve months. Only 8,769 of this number were debarred upon the ground that they were paupers, contract laborers, convicts, or for other reasons; if the present rate of increase is maintained, the total number coming to our shores this year under our existing lax immigration laws will exceed a million.

CHANGE IN THE CHARACTER OF IMMIGRATION.

To a very material extent those who came in previous decades seeking a haven in the land of liberty and plenty were alien only in name and were half assimilated before they arrived. They were industrious people who meant to make our country their permanent residence. They did not colonize in the slums of our great cities, but passed through and casting their eyes westward took up land for homes. They were comparatively well-educated, enterprising people, from Great Britain, Ireland, Germany and Scandinavia. The majority of them were not Slavs, Bohemians, Latins, and Asiatics, most—I do not say all—of whom are fitted only for low grades of manual labor.

Formerly our immigration was composed of families with some pecuniary resources; while now they are predominantly of limited capacity and of a comparatively low order of intelligence.

It is a noteworthy fact that seven-tenths of the total immigration of the year 1902 was from Austria-Hungary, Italy and Russia, forming classes which do not readily adopt our customs. The American spirit is foreign to them and non-assimilating. Such immigration is still pouring in at high tide, with the quality as inferior as the quantity is extraordinary. These unleavened masses speedily develop recruits to our criminal classes, and create the well-termed "foreign quarters" in this city of San Francisco. Unhappily, these abnormal masses have found their way all over our land.

With hundreds of thousands of immigrants coming into our great cities year after year, the prospect of lean years, when there are no wages to be earned, must be viewed with distrust. If those who now swell the ranks of cheap labor are dissatisfied under existing circumstances of material prosperity, what may we not expect to see when these prosperous conditions fail? And when at last the present remarkable industrial activity subsides and financial depression obtains, as is inevitable, may we not see great suffering, not only among those whose wants are small, but among those others of a higher plane of living who are to-day competing with the recent arrivals? Much has recently been said by the financial journals concerning "undigested securities." Quite as great an evil in the body politic is liable to follow from what may be termed "undigested aliens."

DEPRECIATION IN REAL ESTATE VALUES IN 1873.

In connection with the Savings banks failures hereinafter mentioned, it may be stated that nearly all occurred in the same general period that followed the financial upheaval of the year 1873. It may not be extreme to say that the depreciation of real estate in this country thirty years ago was so tremendous in degree and so unprecedented as to justify its characterization as a financial cataclysm.

The fall in real estate prices in New York city and Brooklyn in 1873 now seems to us more like the puncturing of a colossal balloon. Preceding that year, extremely high prices, not justified by economic bases, were the rule, thus making an unsound market value. This will be appreciated the better when we consider that after all the general improvements which followed the elevated railroads and other changes in local transportation, with the large amount of added value from the unearned increment of a score of years, the highest prices of 1873 were not reached until 1893. This literal panic of 1873 stopped building construction for at least six years. It will be readily seen that the Savings institutions, so vitally interested in real estate through their mortgages investments, would naturally feel the shock of the tempest. Indeed it is remarkable that so many survived.

There are but few who can foresee a financial panic; although it has been well said that President Cleveland foretold the financial storm so intimately connected with the earlier silver issue. Nothing is more unexpected than such financial tempests. Who could have predicted with intelligence that the failure of the Ohio Trust Company of 1857 would bring on the fatalities of that year, or that Jay Cooke's downfall of 1873 would inaugurate the losses of that period? With uncertainty always present, there must be constant vigilance. No man can deduce an absolute rule of safety—that is beyond the limitations of humanity, but there is a logical deduction that follows past experience, and justifies our careful attention.

CAUSES OF SAVINGS BANK FAILURES.

An examination of the Savings institutions in the State of New York that have failed reveals three general causes of failure. As a first general cause, I would specify the "available fund" clause in many of the charters of these failed banks, created by special legislation. By available fund clause I mean the indefinite omnibus provisions of those special charters which permitted investments other than those specially authorized, but not exceeding a fixed amount, in "such available form as the trustees might direct." Under the fancied shelter of this vicious clause, the trustees forgot their trust duty, and were tempted by the speculative fashion of the time. In the strong-boxes of many of these insolvent banks were found large blocks of repudiated bonds of Southern States, unsafe railroad bonds and other questionable securities, showing the speculative tendency of so-called trustees with the trusts committed to their care.

It is interesting to note that this so-called available fund was actually meant to be a reserve fund, although it would be closer to the fact to term it the speculative fund of these institutions. It is also singular that this fund, although intended as a reserve, was not made proportionable to resources or deposits, but was fixed at an arbitrary amount.

Another peculiar feature was that this reserve was not necessarily to be held in gold, silver or bank notes or even negotiable securities, but it was to be, in the exceedingly liberal words of the charters, in "such available form as the trustees might direct."

Under an amendment of the constitution of the State of New York all special charters were abrogated and a general law was enacted later. Under a revision of the statutes affecting banking institutions, in which I was fortunate to have an active part, this general law was incorporated and the available fund, with its widely-discretionary powers that were so grossly abused, no longer exists.

As a second general cause of failure I would name incompetency or carelessness in the board of trustees. Poor advice can be had for the mere asking, and indifferent or personally weak trustees may bestow a modicum of time or thought upon a business that brings them little or no compensation.

As relating to this matter let me say that in the official report of the Receiver of the Mechanics and Traders' Savings Bank, of the City of New York, that officer states as follows: "Among the incorporators there were many well-known citizens. Only a few of them, however, appeared to have attended the meetings of the board of trustees or to have shown any active interest in the welfare of the institution. From the first it seems to have been controlled by a few men, not the best or most capable." In another part of the same report he makes this statement: "It is now well known that a number of the trustees of this institution have been insolvent for years past; all have neglected or mismanaged their trusts and several have, for alleged services, withdrawn large sums of money for their own use."

When the doors of the Claremont Savings Bank were closed the Bank Superintendent learned that the funds of depositors were used as the capital of the money exchange and discount broker in the adjoining building.

An instance of sham financiering is shown in another failure of a Savings institution, where the only cash asset found was five dollars and some odd cents. Here the trustee, desiring to make a big showing for an official report, handed in checks for $60,000 and thus inflated the deposits. These checks were returned and the entries were cancelled after they had served their purpose, and the same method was adopted in following reports.

Personal vanity was the motive for establishing some of the unsuccessful banks. I recall one instance where a prominent politician conceived the ambition to become a bank President. He straightway had a Savings bank incorporated by special charter and his family became the largest depositors. A remarkable feature was the fact that he paid out of his personal funds the chief clerk's salary. After his ambition in this direction was satisfied, he spent a term in State's prison for his connection with the Tweed frauds.

The failure of the Clinton Savings Bank in the City of New York was due to the exceedingly injudicious investments made by the directors in the stocks of a trust company and of other like corporations which became insolvent. It should be added, however, that several of the directors exerted themselves strenuously to repair the loss of the depositors by expending a considerable amount of their own funds to keep the bank from being dissolved.

As a third general cause of failure I would designate the element of positive dishonesty. Yet this has appeared so infrequently in Savings bank management as to justify the belief that it is less common than sporadic crime in average humanity. A case of unquestionable reproach is to be found in the Teutonia Savings Bank, of New York city, which failed in 1878. The Secretary of this institution adopted the plan of making false entries on the books so as to make it appear that the bank in buying securities paid more than the actual purchase price. The difference between the false price and the actual price was taken from the bank's cash and divided among the trustees to whom it was paid as "thieves' money," as Charles O'Conor termed the dishonest division of cash spoils by inclosing the share of each trustee in a sealed envelope directed to him and handed to him in person. Running along with this plan of robbery was another scheme. The salaries of the principal officials were doubled and the additional amount was divided equally among the trustees. When this institution failed, its depositors lost over $200,000.

When the receiver of the Rockland Savings Bank was appointed, he found ten memorandum checks aggregating over $12,000, drawn on a neighboring National bank by the Secretary, which had been counted as cash by the officers, although absolutely valueless. The President had been guilty of like offences. The Receiver obtained judgment against the President for $39,020.32 and against the Secretary for $39,022.47, both of which were found to be wholly uncollectable. In another case a Savings bank was openly made the annex of a near-by bank of discount, and it thus became a source of supply for the discount bank. When the latter failed, it was found that deposits of the Savings institution had been swallowed up by its neighbor. These are but typical instances.

Of the Savings banks that have failed in the State of New York, twenty-eight owed depositors $14,720.40. The net loss to depositors aggregated about $4,000,000, and of this deficit over $1,000,000 was charged to the Third Avenue Savings Bank, of New York city.

CARE IN MAKING INVESTMENTS.

Efforts in the New York Legislature to unduly extend by statute the scope of Savings bank investments have been closely watched by the ever-faithful body of men who are ready to oppose any movement that suggests the chance of undue risk. Conservative management is the rule. It is only natural that this should be so. They realize that Savings institutions are of the people and for the people. They cannot be bought by any so-called "banking trust." The people's savings are now the special care of capable and disinterested men of affairs, whose safeguarding is a form of practical patriotism that is not fully appreciated. Much has been done in the way of restricting the discretion of trustees and limiting their power of doing harm. A closer system of inspection and control has been adopted. At the present time, if a trustee is insolvent or becomes a non-resident of the State, his position becomes vacant. The trustees will serve without compensation, but it has come to be realized that the general good name and high standing of trustees of Savings institutions make the position one of honor as it should always be of the strictest financial integrity. That so many men in active business life, some of large means, give at the present time so much of their time and energy to the care of the people's savings makes one think well of humanity.

The earnings of the workingman are the interest on his capital of strength and skill. These Savings bank deposits are his surplus income, brought into being by reason of his ambition. The moment he opens an account with a Savings institution he is a capitalist, and thus becomes a conservator of order. These depositors and earners are truly, in a democratic sense, the "salt of the earth," as they are, in fact, the very backbone of the nation. The conservators of their funds must themselves be men of integrity. The history of the failed Savings banks proves this statement to be eminently true.

STATE SUPERVISION OF SAVINGS BANKS.

A word as to the supervision of Savings institutions by the State. This supervision in the interest of safety and good management does not prevail in all States, but is seen at its best in the States of Connecticut, Massachusetts and New York, where the strongest and largest Savings banks are to be found. The colossal deposits of savings in these three Commonwealths have drawn the attention of the ambitious and many attempts have been made to get similar results without adequate restriction. It is not in any spirit of criticism, but under a sense of duty, that I feel compelled to say that outside of New York and New England there are but few States where fully protective Savings-bank legislation exists. In several of the States there are concerns, some in corporate form, others as quasi-copartnerships, and some with insignificant capital, actually doing the business of Savings institutions. A portion of them are under no restriction as to the use to which they may put the accumulations of the multitude, and the security exacted is far from adequate. Nor do depositors, whose moneys are subjected to the hazards of the ordinary business of such depositaries, duly participate in the profits of such organizations, for these accumulations are to a material extent diverted to the pockets of the managers and stockholders of these establishments.

The abuse of this method of conducting a Savings institution will surely crop out. When we see such institutions managed for personal profit, it is easily understood why in some instances unscrupulous promoters have been known to promise liberal dividends. The natural result of the rule of great gains and great risks may soon be seen. It would not be so correct to sweepingly assert that Savings institutions outside of State supervision are unwisely managed. They are directed by the personal equation that happens to control, but there is no adequate government by law, no system of safeguarding the interests of the modest earners who go to make up the great mass of depositors in Savings institutions. The Asbury Park, N. J., failure of last year and the more recent one in Bessemer, Ga., are instances where the savings of self-sacrifice were swept away, with great suffering to the depositors.

A more recent proof this grave necessity is the conviction under the State penal statute, the 14th day of last month, of the executive officers of the Mercantile Co-operative Bank, at Freehold, N. J., which also carried on a Savings bank business.

A shrewd man of affairs may hesitate to risk his means in an investment which his judgment tells him is hazardous, yet when acting in a fiduciary capacity the hope of favorable results, especially if he is to be personally benefited, may obscure his judgment and even dull his conscience. Misfortune to a bank does not even necessarily imply dishonesty in management. Nevertheless, he whose duty it is to conserve the savings of the poor must remember that the exercise of this duty is the most sacred of trusts. Trustees must not be permitted to neglect their plain duties, and every State should at least enact a law that a deliberate misuse, an intentional misappropriation, of property in the keeping of such officers shall be severely punished as a crime.

SOCIALISM A COMING DANGER.

I repeat that socialism is a coming danger. I predict it will be, to a material degree, the "ism" of the future. If the prediction is well founded, the present "ism" among those who listen to my words should be patriotism. Not the patriotism that contents itself with the explosion of fireworks on Independence Day to celebrate the anniversary of the adoption of a Declaration one hundred and twenty-seven years old, but the patriotism that may induce the members of the body I am now addressing to stand in line to register and again to stand in line and vote and to induce others to vote for the candidates who will pledge themselves to adopt remedial legislation. This is now absolutely necessary in a number of our Commonwealths. It is true that such legislation is purely a matter of State control, and naturally a diversity of opinion in the matter will exist. But the man who will inaugurate in those States now lacking a statutory plan, a conservative and workable scheme of legislation, will surely earn a full meed of praise. If a model is sought, those of us in attendance from the Empire State may point to the laws which control our Savings institutions, the aggregate deposits of which on the first day of last July exceeded $1,150,000,000.

F. A. HALL, Cashier Grand Rapids Savings Bank, Grand Rapids, Mich.: I would like to say that some of us would probably like an opportunity to discuss the next to the last paper that was read. I wanted to ask Mr. Hanhart if the legal points which he offered were largely those of the State of New York, or whether they covered the States generally. Concerning the first proposition, in regard to the trustee, from the decisions that I have read, the large majority of them were in this way: that a party cannot make a gift and own it himself, at the same time. If I understood his proposition correctly, that is about the position that that trustee business would occupy. Then control of it coming to one of their children in the event of their death, as I understand it, as a legal proposition, is not upheld; that they cannot make a gift and still retain control of it, absolute or otherwise.

MR. HANHART: I will say this in answer to the gentleman: that if, say, John Brown chooses to open an account, depositing, say, a thousand dollars in the name of John Brown, in trust for his son, the question has nothing to do with the bank. The bank looks upon him as a trustee, and a trustee always has control of the fund. The responsibility of the trustee to the beneficiary has nothing to do with the bank. The bank is the depository for the fund, and the trustee, as a trustee, draws the money, withdraws it, or deposits it as he pleases, and the bank knows nothing of the equities; and, as a matter of fact, I may state in a general way that the less the Savings bank knows as to such equities the better off it is. It is merely a depository, and it has not the power to carry out trusts, and the less it knows about it the better. We have had many instances of that kind. Take old Mr. Guion. He had lots of accounts of nieces and nephews, and he chose to draw the money out, and use the money to buy bonds with, and made presents of those bonds to those very beneficiaries. When he died the beneficiaries sued his estate for the money that he had deposited in the bank, and they thereby got it twice, both the bonds and the money. The bank had nothing to do with it. The point must be emphasized that the bank must be made safe. I am talking from the point of view of the banker, himself. Many a man will deposit, say, a thousand dollars for his son to-day, and change his mind to-morrow; but the law will not allow him to do that. If he has stated to his son that he has deposited that thousand dollars in trust for him at his death, the son can sue the estate for the money, but he cannot sue the bank. I hope I have answered the question of the gentleman.

M. HALL: Yes, sir, you have answered the question, but I still have an idea that I can find law and decisions to the contrary.

MR. HANHART: I have tried to discuss the point in a general way. The laws of the different States vary considerably.

E. J. PARKER, of Quincy, Ill.: Where you have to open an account in the name of a trustee, a father for a son, John Brown for Joseph Brown, and so forth, the boy in the one case may wish to draw that money when he is sixteen years of age. What is your practice? Do you, when that son comes of age, pay the money to the son, or to the trustee?

MR. HANHART: We do not consider that the beneficiary has any rights whatever with the bank. The money is deposited by the trustee, is in the name of the trustee, and under the control of the trustee. It is only upon the death of a trustee that the question of beneficiary arises. Until then we do not consider the beneficiary. He does not exist so far as we are concerned.

F. W. ROBINSON, Cashier Producers' Savings Bank, Bakersfield, Cal.: Entering this discussion in regard to joint accounts of husband or wife, and taking into consideration the question of which may demand the money, acting under the advice of California's attorneys, we have required the signing of an agreement with the bank by both husband and wife, assuring payment to either on demand, accompanied by the pass book, or to the survivor in case of death; and this would cover several points unmentioned in the paper which I refer to. It seems to me that that is a very wise protection on these joint or separate accounts, and I thought that I would simply bring it before the convention.

Another matter that I would like to speak of regarding another paper that has been read here, namely, bank advertising—one feature of bank advertising was not mentioned at all. I am not here to advertise anybody, but it strikes me that the scheme of the small steel savings bank has proven profitable in experience. We have tried it in our place and it has materially increased our deposits, aiding us in a way that nothing else has done. It brought people to the bank, into contact with the officers of the bank, who could not have been brought in in any other manner. I believe this scheme worthy of our serious consideration. There is no doubt that the closer we come in contact with the general public, the more we educate them into the way of saving.

MR. OTIS: I would like to say that this question of steel savings banks has been pretty thoroughly tried in Chicago, and very successfully tried by several banks. It has been undertaken, however, on such a wholesale plan that it has become a perfect nuisance, and although most of the Savings banks now, with few exceptions, have these banks behind the counter, they don't generally advertise it. If anybody wants one, he can get it by asking for it. Our experience is that in case—one-half the cases, I should say—where banks are brought in for money, and it is taken out and counted and carried away, it takes a great deal of time in large Savings banks where a great many accounts are handled. We have found it necessary to have separate men behind the counter to handle those banks and count them up, and so forth. It works very well for a long time, but it has been very badly abused.

Another point: Recently, some of the merchants who are selling diamonds on the installment plan had signs put all over the city. The signs say that you can, by the use of steel savings banks, get money enough together in that way to buy diamonds. The use of steel savings banks has become very prominent, and most people in the banking business are not looking upon it with very great favor. The people who have been putting out these savings banks, however, are charging so much for so many banks, and agreed to put them out and have an account started wherever the bank is placed, and in that way there has been a great deal of fraud practised. Mr. Tater in his paper did not touch on that subject, because the bankers of Chicago, the Savings banks, have positively and absolutely refused to push that kind of business.

WM. FELSINGER, President New York Savings Bank, New York city: The very fact of our being here shows that we believe in organization, and in the State of New York we have an organization of State Savings banks that takes a great interest in legislation affecting those institutions, and I, therefore, beg to offer this resolution which I will read:

Whereas, The State association of Savings banks, as existing in several States, have proved most beneficial to their interests, and helpful to their depositors by representing them before their respective legislatures in the consideration of bills affecting their interests, and in bringing bank officials together for the discussion of the many subjects of special interest to them; therefore be it

Resolved, That we strongly urge the organizing of State associations of Savings banks in every State and Territory of the Union having Savings banks, and that we pledge our individual effort to further this object.

I, therefore, move that this resolution be adopted.

MR. HALL: I second the motion, and I call attention to the fact that at our meeting held in New Orleans a year ago a similar resolution was adopted. If nothing has been done in the matter since then, I think we and every one of us should give this resolution our hearty support, and endeavor to do everything possible to foster a saving spirit amongst our people.

C. M. PRESTON, Cashier Hamilton Trust and Savings Bank, Chattanooga, Tenn.: I want to say a few words in relation to the States taking up this matter as an association, and I don't know of any better way of bringing the matter to the attention of the people than by recounting the experiences that we have had in the State of Tennessee.

At every meeting of the Legislature of that State, we have vicious laws introduced by ignorant legislators, endeavoring to regulate the State banks and the Savings banks. It requires a good deal of effort upon the part of the State association to keep down these vicious measures, and we need the assistance that the adoption and the pushing of this resolution will give us. Individual banks, themselves, are indifferent, and the casual legislator thinks he ought to do something for us, and consequently he introduces some kind of a measure. If we were prepared and organized in the different States, and recognized as a body, we would be consulted about such matters as this, and laws would not be passed against the interest of a Savings bank and the Savings banks depositors.

I heartily favor this resolution, and I trust that it will be passed; and I hope each and every one will use his best efforts to bring about the organization of such an association so that we can regulate these laws ourselves.

If the Savings bank officials cannot suggest a few wholesome laws for the government of Savings banks, they ought not to be officials of such institutions; and I trust that this resolution will receive the hearty sympathy and support of all.

L. H. DINKINS, Cashier Algiers Savings Bank, New Orleans: I would like to ask for some information. Is it contemplated that the State shall organize and have separate conventions?

MR. FELSINGER: The idea is that each State shall have its organization representing a large number of people and this will give it great power in the Legislature through the people. They should meet once a year, and each Savings bank organization should work in its own State, each State having its own organization, of course.

MR. DINKINS: That, of course, would mean the State organizations, and the national organization also. Do I understand that the national organization would be allied with the State organizations?

MR. FELSINGER: Yes. The Savings Banks Association of the State of New York has, however, nothing to do with this association whatever. They simply send a delegate to this convention. This resolution is recommending this to all the States, an organization similar to the organization in New York State.

MR. TUTTLE: Speaking to the resolution, I will say that we have an organization of Savings banks in the State of Connecticut. There are about ninety Savings banks, and from sixty to seventy of them belong to this organization. I can assure you that this organization helps us very much. We meet once or twice a year, get together, discuss plans, rates of interests, bonds and mortgages, and things that we ought to do; and also, when bills come up in the Legislature, a committee is appointed to look after that matter. When bills are introduced in the Legislature, this association looks after them, and tries to see that no bills go through the Legislature excepting such as will protect the Savings banks and the depositors. We find that it works very well, and every State should have an organization of that kind.

The resolution introduced by Mr. Felsinger was thereupon adopted.

THE CHAIRMAN: The next order of business is the election and the installation of officers. We are now open for nominations.

MR. PRESTON: For the office of chairman, I name Mr. A. C. Tuttle, Treasurer of the Naugatuck Savings Bank, of Naugatuck, Conn. For vice-chairman, I name Mr. William Felsinger, President New York Savings Bank, of New York city. For the three members of the executive committee, I name Mr. P. Leroy Harwood, Treasurer Mariners' Savings Bank, New London, Conn.; Mr. E. Quincy Smith, Vice-President Union Savings Bank, Washington, D. C., and Mr. Fred Heinz, President Farmers and Mechanics' Savings Bank, Davenport, Ia.

THE CHAIRMAN: Are there any other nominations? (After a pause.) As there is but one ticket in nomination, we will entertain a motion that the secretary cast the ballot for these gentlemen as nominated.

The motion was duly made and seconded that the secretary cast the ballot for the nominations as made, and carried.

MR. HANHART: Mr. Chairman, I have, according to this resolution, cast a ballot as follows:

For chairman, Mr. A. C. Tuttle; for vice-chairman, Mr. William Felsinger, and for the three members of the executive committee, Mr. P. Leroy Harwood, Mr. E. Quincy Smith, and Mr. Fred. Heinz.

THE CHAIRMAN: I therefor declare the gentlemen elected.

Gentlemen, it gives me pleasure to introduce to you Mr. A. C. Tuttle, Treasurer of the Naugatuck Savings Bank, of Naugatuck, Conn., whom we have just elected chairman of this association. (Applause.)

MR. TUTTLE: Mr. Chairman and Gentlemen of the Convention—Thanking you most heartily for the honor you have conferred upon me by electing me chairman of this body for the coming year, I wish to say that I shall endeavor to perform the duties imposed upon me to the very best of my ability.

There is one word that I wish to say to you, and that is that I hope we may receive the co-operation of all the members. We get together only once a year, visit each other, discuss matters, hear papers read; and I would like to say that if during the year any member of the association has any topic that he would like to have discussed, that I am sure the executive committee would be very glad to have such topics sent in to them some time during the year, and we would then endeavor to find one who will write a paper on the subject that will be interesting to all. We ought to have more members. You will remember the trouble we had in New Orleans last year in getting any organization. This year we have a great many more, and I am very much pleased to see it. We have now about five hundred members, and I hope that next year that number will be doubled, and when you meet next year we will see a great many more than are present here. I thank you heartily for the honor conferred upon me.

MR. OTIS: I would like to offer a resolution of thanks to the retiring officers for the services rendered during their term of office; and I, therefore, offer such a resolution, and make the motion that it do pass.

The motion was duly seconded, the question put, and carried.

MR. PARKER: Mr. President, I wish to make a suggestion. We know that the author of a paper who is familiar with it is likely to throw a little more spirit and emphasis into the reading of it than where the paper is read by proxy. In many official bodies with which I am connected, we find it necessary to appoint an official reader, and I would suggest that the officers of the association hereafter take that matter into consideration, so that in going from city to city and suffering the disadvantages of the poor acoustic properties of the building in which we meet, that we may have an official reader. He can be chosen in whatever city we come into, and then we can hear every paper read with distinctness. We travel long distances and we have had admirable papers presented to-day, but we have not heard them perfectly. It is a long time to wait for them to be printed, and I make the suggestion without expecting any action to be taken upon it.

MR. TUTTLE: I can assure you that the question will be considered by the executive committee.

MR. LATIMER: I just want to emphasize what Mr. Parker has said, for I know that he takes a great interest in the work of the Savings banks and in their association. I quite agree with him.

THE CHAIRMAN: Gentlemen, I now declare this convention adjourned.

LIST OF DELEGATES REGISTERED AT THE CONVENTION.

Atkinson, E. S., Cas. People's Bank, Summit, Miss.
Ames, Edgar, Seattle Nat. Bank, Seattle, Wash.
Altschul, Richard, Cas. London, Paris and Amer. Bank, San Francisco.
Avery, M. N., Pres. Ger. Amer. Sav. Bank, Los Angeles, Cal.
Andrews, E. W., Pres. Seattle Nat. Bank, Seattle, Wash.
Adams, Geo., Pres. J. & G. Adams Bank, Millersburg, O.
Ames, Henry Temple, Asst. Trust Officer Mississippi Valley Trust Co., St. Louis, Mo.
Austin, W. R., Teller Second Nat. Bank, Wilkesbarre, Pa.
Allen, E. W., Cas. Mechanics' Banking Co., Fostoria, O.
Annan, R., Cas. First Nat. Bank, Frostburg, Md.
Arnold, John B., Rep. Third Nat. Bank, St. Louis, Mo.
Antrim, J. L., Dir. State Bank of Virginia, Richmond, Va.
Allen, Charles G., Cas. Portland Nat. Bank, Portland, Me.
Anderson, H. J., Pres. First Nat. Bank, Alamogordo, N. M.

Albert, Jos. H., Cas. Capital Nat. Bank, Salem, Ore.
Anthes, Wm. A., Cas. First Nat. Bank, Pocatello, Idaho.
Austin, Chas. O., Vice-Pres. Nat. Bank of North America, Chicago, Ill.
Ailes, M. E., Vice-Pres. Riggs Nat. Bank, Washington, D. C.
Annan, D., Cas. Second Nat. Bank, Cumberland, Md.
Alexander, F. L., Cas. Carver Nat. Bank, St. Helena, Cal.
Albro, C. S., Asst. Cas. Bank of Poplar Bluff, Poplar Bluff, Mo.
Baggs, Geo. T., Corn Exch. Nat. Bank, New York City.
Bennett, H. P., Asst. Cas. Bank Twin Bridges, Twin Bridges, Mont.
Bixby, L. H., Cas. Montpelier Nat. Bank, Montpelier, Vt.
Bright, Geo. W., Pres. Ohio Trust Co., Columbus, O.
Behrens, L. P., Cas. Bank of San Mateo, Redwood City, Cal.
Bushnell, F. M., Cas. Richland Sav. Bank, Mansfield, O.
Brower, Martin I., Pres. Fullerton Nat. Bank, Fullerton, Neb.
Burris, L. W., Cas. Santa Rosa Bank, Santa Rosa, Cal.
Blake, Treas. First Nat. Bank, San Francisco.
Bliven, W. E., Cas. Lumberman's Nat. Bank, Tacoma, Wash.
Bickford, E. L., Cas. Commercial Bank, Napa, Cal.
Byerts, W. H., Socorro, New Mexico.
Bittinger, G. E., Cas. Los Angeles Nat. Bank, Los Angeles, Cal.
Brown, H. N., Dir. First Nat. Bank, Albert Lea, Minn.
Brenneman, S. M., Prop. Orville Sav. Bank, Orville, O.
Bowman, E. C., Cas. Detroit Sav. Bank, Detroit, Mich.
Banks, Wm. B., Pres. First Nat. Bank, Superior, Wis.
Burrows, F. R., Special Agt. Pacific Surety Co., San Francisco.
Bouyet, W. E., Cas. Troy Nat. Bank, Troy, O.
Baker, J. E., Pres. Bank of Alameda, Alameda, Cal.
Burnett, Chas. R., Asst. Cas. First Nat. Bank, Richmond, Va.
Bailey, Edwin, Dir. Patchogue Bank, Patchogue, N. Y.
Burpee, L., Cas. First Nat. Bank, Oakland, Cal.
Bishop, A. G., Cas. Genesee Co. Sav. Bank, Flint, Mich.
Bartlett, J. K., First Vice-Pres. U. S. Fidelity and Guaranty Co., Baltimore, Md.
Brown, Thatcher U., Brown Bros. & Co., New York.
Brock, James E., Sec'y Mississippi Valley Trust Co., St. Louis, Mo.
Beymer, A. G., Cas. Keystone Bank, Pittsburg, Pa.
Bigelow, J. F., Vice-Pres. Nevada Nat. Bank of San Francisco, Cal.
Boyd, C. R., Cas. Farmers' Co-op. Union, Yuba City, Cal.
Bacharach, Harry, Dir. Mar. Tr. Co., Atlantic City, N. J.
Birrell, G. W., Cas. Kinsman Nat. Bank, Kinsman, O.
Blankerhorn, Louis, Dir. Merchants' Nat. Bank, Santa Monica, Cal.
Bergmann, Adolph, Vice-Pres. Farmers' Bank, Concordia, Mo.
Buck, Ira D., Vice-Pres. Illinois Nat. Bank, Peoria, Ill.
Brown, Henry, Cas. Bank of Napa, Napa, Cal.
Block, J. W., Cas. Bank of Lincoln Co., Elsberry, Mo.
Block, R. E., Dir. Bank of Lincoln Co., Elsberry, Mo.
Butler, Leslie, Pres. Butler & Co., Hood River, Ore.
Bigelow, F. G., Pres. First Nat. Bank, Milwaukee, Wis.
Buss, E. D., Cas. First Nat. Bank, Bakersfield, Cal.
Baker, Hartman, Cas. Merchants' Nat. Bank, Philadelphia, Pa.
Barnes, W. F., Pres. Manufacturers' Nat. Bank, Rockford, Ill.
Brosius, M. G., Dir. N. A. Bank of Avondale, Avondale, Pa.
Brown, Jos. G., Pres. Citizens' Nat. Bank, Raleigh, N. C.
Byerts, W. H., Byerts' Bank, Socorro, N. M.
Barker, V. T., Cas. Home Savings Bank, Kalamazoo, Mich.
Billings, Wm. P., Asst. Cas. Second Nat. Bank, Wilkesbarre, Pa.
Blaffer, G. Ad., Cas. Germania S. & T. Co., New Orleans, La.
Bennett, L. L., Pres. Nat. Farmers' Bank, Owatonna, Minn.
Berryman, Jerome C., Dir. Bucklin State Bank, Bucklin, Kan.
Berryman, J. W., Pres. Stockgrowers' Nat. Bank, Ashland, Kan.
Bennett, A. J., Pres. Madison State Bank, Virginia City, Mont.
Bergeron, L. R., Sec. Inter-State T. & B. Co., New Orleans, La.
Beard, B. F., Pres. Hardinsburg Bank of Hardinsburg, Ky.
Bickel, C. C., Dir. First Nat. Bank, Louisville, Ky.
Brooke, John F., Vice-Pres. Safe Deposit Bank, San Jose, Cal.
Brown, Frank, Cas. State Bank, San Pedro, Cal.
Berryman, W. S., Cas. Meade State Bank, Meade, Kan.
Bender, C. T., Cas. Washoe Co. Bank, Reno, Nev.
Benham, F. N., Cas. Bridgeport Nat. Bank, Bridgeport, Conn.
Beck, F. E., Mgr. Int. Banking Corp., San Francisco, Cal.
Brassington, F. A., Dir. German Bank, Buffalo, N. Y.
Bartlett, W. S., Pres. Union Bank of Sav., Los Angeles, Cal.
Boggs, W. S., Cas. California State Bank, San Bernardino, Cal.
Braly, J. H., Pres. So. Cal. Sav. Bank, Los Angeles, Cal.
Barrick, J. F., Cas. Cowley Co. Nat. Bank, Winfield, Kan.
Barnard, D. D., Cas. Com. Bank, San Luis Obispo, Cal.
Bowman, Geo. M., Pres. First Nat. Bank, San Jose, Cal.
Burnett, A. W., Asst. Cas. Second Nat. Bank, Orange, N. J.
Buckner, H. D., Cas. Paris Nat. Bank, Paris, Mo.
Bash, C. C., Pres. and Mgr. Bank of Shasta Co., Redding, Cal.
Bowles, P. E., Pres. Am. Nat. Bank, San Francisco, Cal.
Bliven, W. E., Cas. Lumbermen's Nat. Bank, Tacoma, Wash.
Bachelder, Geo. A., Second Vice-Pres. E. H. Rollins & Son, Boston and San Francisco.
Bradley, Richard, Cas. Pioneer Bank, Porterville, Cal.
Biddle, S. E., Pres. Old Bank, Hanford, Cal.
Bennett, A. N., Cas. Homer Nat. Bank, Homer, N. Y.
Blum, August, Asst. Cas. First Nat. Bank, Chicago, Ill.

Backus, C. D., Cas. First Nat. Bank, New York, N. Y.
Brown, J. Dalzel, Mgr. Cal. S. D. and Trust Co., San Francisco, Cal.
Babcock, P. S., Trust Officer Colonial Trust Co., New York City.
Brokaw, C. S., Cas. Com. Nat. Bank, Kansas City, Kan.
Berbecker, E. N., Pres. Arlington Hts. State Bank, Arlington Heights, Ill.
Bender, D. A., Dir. Washoe Co. Bank, Reno, Nev.
Backus, M. F., Pres. Wash. Nat. Bank, Seattle, Wash.
Campbell, S. S., Asst. Cas. Merchants' Nat. Bank, New York.
Clough, E. L., Dir. Central Sav. Bank, Akron, O.
Crane, A. A., Cas. Nat. Bank of Com., Minneapolis, Minn.
Curtis, G. M., Vice-Pres. City Nat. Bank, Clinton, Ia.
Cayot, G. A., Asst. Cas. State Bank, Westphalia, Kan.
Caramony, Cyrus W., Cas. Sav. and Loan Society, San Francisco.
Carpy, Chas., Pres. French-American Bank, San Francisco.
Close, G. W., Cas. Berlin Heights Banking Co., Berlin Heights, O.
Garrettson, D. F., Vice-Pres. First Nat. Bank, San Diego, Cal.
Chesney, S., Vice-Pres. St. Joseph Stock Yards Bank, St. Joseph, Mo.
Conover, Samuel S., Vice-Pres. Irving Nat. Bank, New York City.
Chamberlain, Edwin, Sec. and Vice-Pres. Alamo Nat. Bank, San Antonio.
Cunningham, W. T., Pres. Com. T. and S. Bank, Danville, Ill.
Christopher, John G., Dir. Nat. Bank of Jacksonville, Fla.
Cannon, Frank, Pres. Exchange Bank, Glendive, Mont.
Chaffey, Geo., Pres. First Nat. Bank, Ontario, Cal.
Curless, Arthur E., Prop. Curless Bank, Swayzee, Ind.
Canfield, E. H., Cas. Bank of Sparta, Wis.
Castleman, Stanley J., Cas. First Nat. Bank, Riverside, Cal.
Cofer, S. R., Sec. Int. Banking Corp., San Francisco, Cal.
Clark, M. H., Chautauqua Co. Trust Co., Jamestown, N. Y.
Oliphant, T. W., Dir. First Nat. Bank, Madisonville, Texas.
Chapman, E. C., Cas. Farmers and Merchants' Nat. Bank, Columbus, Miss.
Culbertson, Giffen, Pres. Com. State Bank, Long Island, Kan.
Carter, J. P., Pres. Nat. Bank of Com., Hattiesburg, Miss.
Castle, C. S., Pres. Dawson State Bank, Chicago, Ill.
Caine, Wm. C., Asst. Cas. Bank of Com. N. A., Cleveland, O.
Chase, J. A., Cas. Mountain Grove Bank, Mountain Grove, Mo.
Clark, Walter A., Cas. Bank of Mountain View, Mountain View, Cal.
Carr, H. C., Cas. First Nat. Bank, Porterville, Cal.
Cox, J. Elwood, Pres. Com. Nat. Bank, High Point, N. C.
Castle, C. S., Cas. Federal T. and S. Bank, Chicago.
Cambell, Alex. D., Asst. Cas. Hanover Nat. Bank, New York City.
Curtis, Alfred H., Cas. Nat. Bank of North America, New York City.
Clark, Kenneth, Pres. Merchants' Nat. Bank, St. Paul, Minn.
Cornelius, R. E., Asst. Cas. Second Nat. Bank, Youngstown, O.
Charters, H. F., Cas. First Nat. Bank, Eureka, Cal.
Clarkson, James B., Sec. and Treas. Security T. and S. D. Co., Wilmington, N. C.
Clough, Wm. S., Mgr. F. S. Moseley Co., Chicago, Ill.
Castleman, Stanley J., Cas. First Nat. Bank, Riverside, Cal.
Crim, M. R., Dir. First Nat. Bank, Galion, O.
Crampton, R. L., Asst. Cas. Nat. Bank of the Republic, Chicago, Ill.
Carter, Mord., Pres. First Nat. Bank, Danville, Ind.
Condit, Thomas K., Cas. First Nat. Bank, Beardstown, Ill.
Crankshaw, John T., Tr. Frankford R. E. T. and S. D. Co., Philadelphia.
Crawford, R. A., Pres. Valley Nat. Bank, Des Moines, Iowa.
Cameron, John H., Cas. Nat. Bank of Republic, Chicago, Ill.
Chandler, C. Q., Pres. Citizens' State Bank, Medicine Lodge, Kan.
Carr, F. E., Pres. Wellington Nat. Bank, Wellington, Kan.
Cooke, J. R., Asst. Cas. Third Nat. Bank, St. Louis, Mo.
Cohen, Benj. I., Pres. Portland Trust Co. of Oregon, Portland, Ore.
Culver, D. S., Cas. No. German Amer. Bank, St. Paul, Minn.
Castleman, Stanley J., Cas. Riverside First Nat. Bank, Riverside, Cal.
Cooper, W. G., Cas. First Nat. Bank of Hawaii, Hololulu.
Cooke, Thornton, Asst. Tr. Fidelity Trust Co., Kansas City, Mo.
Clarkson, Jas. B., Sec. and Treas. Security Trust and S. D. Co., Wilmington, Del.
Coffin, W. K., Vice-Pres. and Cas. Eau Claire Nat. Bank, Eau Claire, Wis.
Conklin, S. W., Dir. Patchogue Bank, Patchogue, N. Y.
Carroll, Edward, Cas. Leavenworth Nat. Bank, Leavenworth, Kan.
Cowgill, L. I., Cas. San Francisco Nat. Bank, San Francisco, Cal.
Cromwell, David, Pres. First Nat. Bank, White Plains, N. Y.
Cutting, Francis, Vice-Pres. Amer. Nat. Bank, San Francisco, Cal.
Crowell, Wm., Cas. Miami Co. Nat. Bank, Paola, Kan.
Connell, W. McB., Teller Oakland Sav. and Trust Co., Pittsburg.
Drake, L., Cas. Merchants' Nat. Bank, Omaha, Neb.
Dee, Thomas D., Vice-Pres. First Nat. Bank, Ogden, Utah.
Dobson, A., Banker, Bank of Ottawa, Ottawa, Kan.
Davenport, Wm. B., Treas. People's Trust Co., Brooklyn, N. Y.
Dodge, W. F., Asst. Cas. Phoenix Nat. Bank, Phoenix, Ariz.
Donald, George, Pres. Yakima Nat. Bank, Yakima, Wash.
Dinkins, Lynn H., Cas. Algiers Sav. Bank, New Orleans, La.
Dinkins, James, Asst. Cas. Bank of Jefferson, Gretna, La.
Douglass, F. M., Cas. First Nat. Bank, Covina, Cal.
Duncan, Stuart, Asst. Cas. La Salle State Bank, La Salle, Ill.
De Long, Paul A., Cas. New First Nat. Bank, Columbus, O.
Davis, Wm. V., Sec. and Treas. Savannah Trust Co., Savannah, Ga.
Davis, N. A., Cas. Bank of Milton, Milton, Ore.
Donaldson, Wm. A., Pres. South Lorain Sav. Co., Lorain, O.

Deckman, W. J., Cas. Bank of Dinuba, Dinuba, Cal.
Davis, C. L., Exch. Teller, S. F. Nat. Bank, San Francisco, Cal.
Duncan, John L., Cas. Bank of Campbell, Campbell, Cal.
Dixon, A., Pres. First Nat. Bank, Coon Rapids, Ia.
Dismukes, John F., Pres. First Nat. Bank, St. Augustine, Fla.
Devlin, W. H., Cas. Jefferson Bank, New York City.
Doolittle, R. A., Federal Bank of New York, New York City.
Drake, D. K., Mgr. Harvey Fisk & Sons, New York City.
Dougherty. J. L., Asst. Cas. Commercial Bank, Liberty, Mo.
Davis, Warren J., Cas. First Nat. Bank, Marinette, Wis.
Dennis, H. R., Pres. Sioux Falls Sav. Bank, Sioux Falls, S. D.
Eakin, S. B., Vice-Pres. First Nat. Bank, Eugene, Ore.
Emerson, Guy L. V., Asst. Cas. Mercantile Bank, Pueblo, Col.
Eaton, Thos. H., Cas. Chapman Nat. Bank, Portland, Me.
Eagerton, M. W., Pres. Citizens' Nat. Bank, Chillicothe, Mo.
English, T. W., First Nat. Bank of Baraboo, Wis.
Ellenberger, A. W., Vice-Pres. S. and L. Co., Cleveland, O.
Eccles, David, Pres. First Nat. Bank, Ogden, Utah.
Eagner, Frederick W., Sec. and Treas. Fidelity Trust Co., Newark, N. J.
Eoff, A., Cas. Boise City Nat. Bank, Boise, Idaho.
Evans, W. H., Sec. and Treas. Dime Sav. Bank, Akron, O.
Eltinge, Chas. S., Cas. Traders' Nat. Bank, Spokane, Wash.
English, J. R., Cas. Citizens' Bank, Vallejo, Cal.
Elliott, J. M., Pres. First Nat. Bank, Los Angeles, Cal.
Eavey, H. H., Pres. Citizens' Nat. Bank, Xenia, O.
Eberhardt, Fred F., Asst. Cas. Nat. Bank of Amer., Salina, Kan.
Edmonds, J. R., Vice-Pres. and Cas. Nat. Bank of Com., Baltimore, Md.
Emerick, E. C., Treas. Susquehanna T. and S. D. Co., Willamsport, Pa.
Edwards, C. H., Vice-Pres. Trinity Co. Bank, Weaverville, Cal.
Evarts, Chas. D., Sec.-Treas. Produce Exchg. Banking Co., Cleveland, O.
Edwards, J. L., Cas. Merchants' Nat. Bank, Burlington, Ia.
Edwards, Geo. S., Pres. Com. Bank, Santa Barbara, Cal.
Eastwick, P. G., Jr., Cas. Int. Banking Corp., San Francisco.
Eisenmayer, J. C., Cas. Trenton Bank, Trenton, Ill.
Fallis, W. S., Pres. Nat. Bank of Com., Garnett, Kan.
Fredericks, B. H., Cas. Prescott Nat. Bank, Prescott, Ariz.
Fairbanks, F. S., Cas. Bank of Hueneme, Hueneme, Cal.
Fishburn, Jermins B., Vice-Pres. and Cas. Nat. Exchange Bank, Roanoke, Va.
Felsinger, Wm., Pres. New York Sav. Bank, New York City.
Farley, Pains B., Cas. M. & P. Farley Nat. Bank, Montgomery, Ala.
Furth, J., Pres. Puget Sound Nat. Bank, Seattle, Wash.
Flieth, H. G., Cas. Nat. German-Amer. Bank, Wasau, Wis.
Fagan, Jas. J., Vice-Pres. Amer. Nat. Bank, San Francisco, Cal.
Fonda, H. B., Asst. Cas. Nat. Bank of Com., New York City.
Frame, Andrew J., Pres. Waukesha Nat. Bank, Waukesha, Wis.
Foster, Hon. Chas. D., Dir. Wyoming Nat. Bank, Wilkesbarre, Pa.
Fairley, A. D., Teller State Bank, Holton, Kan.
Fletcher, H. S., Cas. Bank of Watsonville, Watsonville, Cal.
Fitzpatrick, Jno. W., Asst. Cas. Donohue-Kelly Banking Co., San Francisco.
Faxon, Isaac D., Dir. Lorain Co. Banking Co., Elyria, O.
Farrell, Chas. L., Vice-Pres. Fort Dearborn Nat. Bank, Chicago, Ill.
Farnsworth, Louis H., Cas. Walder Bros.' Bank, Salt Lake City, Utah.
Fraser, P. B., Pres. Farmers and Merchants' Bank, Stockton, Cal.
Ficken, Jno. F., Pres. South Carolina L. and T. Co., Charleston, S. C.
Frank, Gus., Pres. First Nat. Bank, Petersburg, Ind.
Foster, L. E., Rec. Teller Cal. S. D. and Trust Co., San Francisco.
Foster, Hon. Chas. D., Dir. Wyoming Nat. Bank, Wilkesbarre, Pa.
Foster, Parks, Pres. Lorain Co. Banking Co., Elyria, O.
Floersch, J. B., Cas. Union Nat. Bank, Manhattan, Kan.
Fahey, Peter R., of Fahey & Co., Cleveland, O.
Finney, R. P., Asst. Cas. Old Nat. Bank, Oshkosh, Wis.
Finley, J. B., Pres. Fifth Nat. Bank, Pittsburg, Pa.
Ford, J. C., Dir. Hackley Nat. Bank, Muskegon, Mich.
Foster, C. D., Dir. Wyoming Nat. Bank, Wilkesbarre, Pa.
Field, Scott, Vice-Pres. Merchants' Sav. Bank, Battle Creek, Mich.
Flanagan, G. H., Cas. Wyoming Nat. Bank, Wilkesbarre, Pa.
Farrand, J. S., Jr., Dir. Com. Nat. Bank, Detroit, Mich.
Fletcher, John G., Pres. German Nat. Bank, Little Rock, Ark.
Fraser, John D., Cas. Monongahela Nat. Bank, Pittsburg, Pa.
Fries, F. H., Pres. Wachovia L. and T. Co., Winston-Salem, N. C.
Fancher, E. R., Asst. Cas. Union Nat. Bank, Cleveland, O.
Evans, H. D., Cas. Lead Belt Bank, Bonne Terre, Mo.
Farnsworth, C. E., Cas. Euclid Park Nat. Bank, Cleveland, O.
Fitton, Saml. D., Pres. First Nat. Bank, Hamilton, O.
Glenn, John F., Cas. Merchants' Nat. Bank, Richmond, Va.
Gould, N. J., Cas. Amer. Nat. Bank, Helena, Mont.
Graham, Jas. M., Pres. First Nat. Bank, Gainesville, Fla.
Gunther, F. T., Vice-Pres. Nat. Deposit Bank, Owensboro, Ky.
Geery, W. B., Cas. St. Paul Nat. Bank, St. Paul, Minn.
Graham, W. P., Cas. Wm. Stocking & Co., Rochelle, Ill.
Griswold, Stephen M., Pres. Union Bank, Brooklyn, N. Y.
Gammell, R. G., Mgr. R. G. Gammell Investmt. Co., Fairhaven, Wash.
Gregg, W., Jr., Asst. Cas. Crocker-Woolworth Nat. Bank, San Francisco.
Greenbaum, Sig., Mgr. London T. and A. Bank, San Francisco.
Gallender, Eliot, Pres. Dime Sav. Bank, Peoria, Ill.
Green, Harry T. S., Sub. Mgr. London, Paris and Amer. Bank, San Francisco.

Gebelin, Jos., Cas. Bank of Baton Rouge, Baton Rouge, La.
Graves, J. T., ex-Dir. Medina Co. Nat. Bank, Medina, O.
Glass, Graham, Asst. Cas. Hibernia Sav. Bank, Portland, Ore.
Gundelfinger, L., Cas. Bank of Central California, Fresno, Cal.
George, William, Pres. Old Second Nat. Bank, Aurora, Ill.
Gond, J. W., Dir. Colusa Co. Bank, Colusa, Cal.
Gleason, Albert M., Vice-Pres. and Treas. Taunton Safe Deposit and Trust Co., Taunton, Mass.
Gallup, M. J., Pres. Mount Jewett Bank, Mt. Jewett, Pa.
Gilkeson, E. M., Cas. Second Nat. Bank, Parkersburg, W. Va.
Gano, Gazzam, Treas. Central Safe and Trust Co., Cincinnati, O.
Gracey, R., Pres. Merced Security Sav. Bank, Merced, Cal.
Gorgas, Wm. L., Cas. Harrisburg Nat. Bank, Harrisburg, Pa.
Garrels, G. W., Pres. Franklin Bank, St. Louis, Mo.
Geoghegan, J., Dir. Utah Nat. Bank, Salt Lake City, Utah.
Georgeson, F. W., Cas. Humboldt Co. Bank, Eureka, Cal.
Gordon, Alex., Vice-Pres. Sacramento Bank, Sacramento, Cal.
Glennon, Joseph H., Trus. Miners' Sav. Bank, Pittston, Pa.
Goodall, Edwin, Vice-Pres. Bank of Discount, New York City.
Hansl, Arthur, Banker, New York City.
Hawkins, T. S., Pres. Bank of Hollister, Hollister, Cal.
Huston, J. P., Cas. Wood & Huston's Bank, Marshall, Mo.
Hogan, John M., Cas. Germania Bank, Savannah, Ga.
Hobson, C. B., Asst. Cas. Mutual Sav. Bank, San Francisco.
Hamilton, John L., Cas. and Vice-Pres. Hamilton & Cunningham Bank, Hoopeston, Ill.
Hartley, Geo. S., Pres. Citizens' State Bank, Arkansas City, Ark.
Hickman, J. O., Cas. First Nat. Bank, Hanford, Cal.
Hillyer, L. P., Cas. Amer. Nat. Bank, Macon, Ga.
Hurff, Wm. K., Treas. Security Trust Co., Camden, N. J.
Heller, Geo., Cas. German Bank, Sheboygan, Wis.
Hutchinson, Henry E., Pres., Brooklyn Bank, Brooklyn, N. Y.
Hammer, Alfred, Dir. Valley Nat. Bank, Des Moines, Ia.
Henrice, Wm. C., Cas. Inter-State Nat. Bank, Kansas City, Kan.
Hollis, Thomas, Pres. First Nat. Bank, McCloud, Okla.
Hall, O. H., Vice-Pres. Central Trust Co., San Francisco, Cal.
Hornaday, Grant, Pres. First Nat. Bank, Fort Scott, Kan.
Huff, S., Pres. Bank of San Leandro, San Leandro, Cal.
Hazard, L. H., Cas. First Nat. Bank, Coquille, Ore.
Hall, Frank M., Mgr. U. S. Fidelity and Guaranty Co., Baltimore, Md.
Heeran, George A., Pres. People's Sav. Bank, Grand Rapids, Mich.
Holley, J. M., Cas. State Bank, La Crosse, Wis.
Harrington, John T., Cas. Mahoney Nat. Bank, Youngstown, O.
Holt, G. V., Mgr. Canadian Bank of Commerce, Seattle, Wash.
Harkinson, R., Cas. Bank of Antioch, Antioch, Cal.
Howell, Francis G., Vice-Pres. Camden Nat. Bank, Camden, N. J.
Hark, Frank J., Asst. Cas. Cleveland Nat. Bank, Cleveland, Tenn.
Harris, Jno. W., Cas. First Nat. Bank, Nortonville, Kan.
Henrich, Geo. A., Rep. Lafayette Nat. Bank, Cincinnati, O.
Hill, Calviness, Teller State Nat. Bank, Cleveland, O.
Head, Joseph C., Cas. First Nat. Bank, Latrobe, Pa.
Hansen, C. S., Cas. Castana Sav. Bank, Castana, Ill.
Hunkins, S. B., Pres. Garden City B. and T. Co., San Jose, Cal.
Howard, A. Randolph, Cas. Conway, Gordon & Garnett Nat. Bank, Fredericksburg, Va.
Hall, Edward L., Dir. Trust Co., Jamestown, N. Y.
Hazeltine, W. E., Dir. Bank of Arizona, Prescott, Ariz.
Havens, J. W., Vice-Pres. First Nat. Bank, Berkeley, Cal.
Harris, David J., Cas. Pullman L. and S. Bank, Chicago, Ill.
Hamilton, Geo. H., Vice-Pres. First Nat. Bank, Watseka, Ill.
Hartley, J. P., Cas. Stockton Exchange Bank, Stockton, Mo.
Heartwell, J. B., Pres. First Nat. Bank, Long Beach, Cal.
Hardy, Caldwell, Pres. Norfolk Nat. Bank, Norfolk, Va.
Heinz, Fred, Pres. Farmers and Mechanics' Sav. Bank, Davenport, Ia.
Henderson, Dr. J. M., Cas. Sacramento Bank, Sacramento, Cal.
Hough, James H., Cas. First Nat. Bank, Stockton, Cal.
Hale, Chas. H., Cas. Bank of San Leandro, San Leandro, Cal.
Harrison, Chas. J., Pres. Somerset Co. Nat. Bank, Somerset, Pa.
Hall, F. A., Cas. Grand Rapids Sav. Bank, Grand Rapids, Mich.
Herron, Joseph A., Partner, Alexander & Co., Monongahela, Pa.
Hemming, C. L., Cas. El Paso Nat. Bank, Colorado Springs, Colo.
Hemphill, R. W., Cas. Ypsilanti Sav. Bank, Ypsilanti, Mich.
Holliday, W. H., Cas. Merchants' Nat. Bank, Los Angeles, Cal.
Haviland, Chas. C., Dir. First Nat. Bank, White Plains, N. Y.
Hills, Lewis S., Pres. Deseret Nat. Bank, Salt Lake City, Utah.
Hale, W. A., Cas. Bank of Martinez, Martinez, Cal.
Hays, Kaufman, Vice-Pres. Euclid Park Nat. Bank, Cleveland, O.
Hatch, H. R., Dir. Euclid Park Nat. Bank, Cleveland, O.
Hertley, Arthur, Sec. Northern Trust Co., Chicago, Ill.
Heely, A. V., Asst. Sec. Farmers' L. and T. Co., New York City.
Johnson, W. P., Vice-Pres. State Bank, Randolph, Kan.
Jansen, Jesse, Pres. Reedley State Bank, Reedley, Cal.
Jacobs, L. M., Cas. Arizona Nat. Bank, Tucson, Ariz.
Jennings, J. J., Cas. City Deposit Bank, Columbus, O.
Jamison, Chas. W., Pres. Southern Bank, Fulton, Mo.
Jewell, L. L., Cas. Grant's Pass Banking and Trust Co., Grant's Pass, Ore.
Judson, Frank P., Cas. Bankers' Nat. Bank, Chicago, Ill.
Johnson, V. E., Pres. State Bank, Randolph, Kan.
Jones, Homer E., Pres. Dominion Nat. Bank, Bristol, Va.

Jones, A. B., Cas. S. W. Nat. Bank, Los Angeles, Cal.
Jackson, Henry S., Maddox, Rucker Banking Co., Atlanta, Ga.
Jobes, C. S., Pres. Amer. Nat. Bank, Kansas City, Mo.
Johnson, C. J., Cas. Bank of Donovan, Donovan, Ill.
James, Wm. F., Rep. First Nat. Bank, Philadelphia, Pa.
Jones, W. O., Asst. Cas. Nat. Park Bank, New York City.
Jackson, A. A., Vice-Pres. Girard Trust Co., Philadelphia, Pa.
Jones, P. C., Vice-Pres. Bank of Hawaii, Honolulu, H. I.
Kueck, F. H., Sec. Farmers' Bank of Concordia, Concordia, Mo.
Kunland, G. W., Dir. Western Reserve Nat. Bank, Warren, O.
Kirchner, Geo. H., Cas. German-Amer. Bank, Detroit, Mich.
Kraus, Jos. R., Cas. Bankers' Nat. Bank, Cleveland, O.
Krouse, Otto, Asst. Cas. Reedsburg Bank, Reedsburg, Wis.
Kimball, F. M., Cas. Hartington Nat. Bank, Hartington, Neb.
Kennedy, C. H., Asst. Cas. Com. Nat. Bank, Youngstown, O.
Kelly, H. L., Asst. Cas. Bank of Oregon City, Ore.
King, Frank P., Asst. Cas. Wells, Fargo & Co. Bank, San Francisco.
Kettenbach, W. F., Pres. Lewiston Nat. Bank, Lewiston, Idaho.
King, Homer S., Pres. Wells, Fargo & Co. Bank, San Francisco, Cal.
Kasten, Frank, Second Vice-Pres. Wisconsin Nat. Bank, Milwaukee, Wis.
Kasten, Walter, Teller Wisconsin Nat. Bank, Milwaukee, Wis.
Kempf, R., Pres. Farmers and Mechanics' Bank, Ann Arbor, Mich.
Kroos, Julius, Cas. Bank of Sheboygan, Sheboygan, Wis.
Keck, C. M., Vice-Pres. Citizens' Nat. Bank, Washington, Ia.
Kenny, R. W., Cas. Broadway Banking and Trust Co., Los Angeles, Cal.
Knox, Frank, Pres. Nat. Bank of the Republic, Salt Lake City, Utah.
Kahn, Lewis, Cas. Bank of Oakdale, Cal.
Kains, A., Mgr. Bank of Com., San Francisco, Cal.
Kauffman, P. C., Second Vice-Pres. Fidelity Trust Co., Tacoma, Wash.
Keck, C. M. W., Cas. Allentown Nat. Bank, Allentown, Pa.
Kinamon, R. L., Sec.-Treas. Ill. State Trust Co., East St. Louis, Ill.
Kelly, John G., Pres. Braddock Nat. Bank, Braddock, Pa.
Kutren, Alfred, Dir. Farmers' Nat. Bank, Fresno, Cal.
Kaile, Nathan H., Cas. First Nat. Bank, New Windsor, Md.
Kline, G. W., Cas. Crocker-Woolworth Nat. Bank, San Francisco.
Kingsbury, W. J., Pres. Farmers and Merchants' Bank, Tempe, Ariz.
Kee, O. B., Pres. National Exchg. Bank, Weatherford, Okla.
Lane, P. F., Cas. Scandinavian-Amer. Bank, Seattle, Wash.
Lane, A. V., Vice-Pres. Nat. Exchange Bank, Dallas, Tex.
Latimer, Fred E., Bank of E. Latimer & Co., Delavan, Wis.
Lyon, H. R., Pres. First Nat. Bank, Mandan, N. D.
Lincoln, Henry P., Cas. First Nat. Bank, Santa Barbara, Cal.
Lawson, Geo. E., Cas. People's Sav. Bank, Detroit, Mich.
Lewis, Geo W., Paying Teller Cal. Safe Dep. and Trust Co., San Francisco.
Livingstone, W., Pres. Dime Sav. Bank, Detroit, Mich.
Leland, Frank B., Pres. Detroit United Bank, Ltd., Detroit, Mich.
Lee, Arthur, Asst. Cas. First Nat. Bank, Newport News, Va.
Lee, Guy A., Cas. Triumph Exchange Bank, Triumph, Ill.
Lilienthal, Joseph L., Acct. Anglo-Cal. Bank, San Francisco.
L'Engle, J. C., Pres. State Bank of Florida, Jacksonville, Fla.
Lobb, Hary W., Gen. Agt. Amer. Surety Co. of New York.
Lillis, S. C., Pres. First Nat. Bank, Oroville, Cal.
Lowenberg, A. J., Pres. City and County Bank, San Francisco.
Lee, Arthur, Asst. Cas. First Nat. Bank, Newport News, Va.
Lee, P. J., Pres. Citizens' State Bank, Dubuque, Ia.
Lipman, F. L., Cas. Wells, Fargo & Co. Bank, San Francisco.
Lowry, Robert J., Pres. Lowry Nat. Bank, Atlanta, Ga.
Levis, A., Vice-Pres. Producers' Bank, Visalia, Cal.
Lion, L., Pres. Commercial & Sav. Bank, San Jose, Cal.
Lindburg, John R., Pres. First Nat. Bank, Pittsburg, Kan.
Lathrop, R. P., Dir. Bank of Hollister, Hollister, Cal.
Lewis, J. A., Asst. Cas. Nat. Bank of Com., St. Louis.
Lester, A. G., Granger, Farwell & Co., Chicago, Ill.
Locke, Geo. D., Trust Officer U. S. Trust Co., St. Louis, Mo.
Lewis, G. E., Cas. Gallatin Nat. Bank, New York City.
Leonard, J. D., Chief Teller Wells, Fargo & Co. Bank, Portland, Ore.
Lane, M. B., Pres. Citizens' Bank, Savannah, Ga.
Lewis, Geo. A., Pres. Naugatuck Nat. Bank, Naugatuck, Conn.
Latimer, N. H., Mgr. D. H. & Co. Banking Corp., Seattle, Wash.
Lyons, W. J., Cas. East Side Bank, Portland, Ore.
Lynch, James K., Cas. First Nat. Bank, San Francisco.
Langdon, E. W., Cas. First Nat. Bank, Albany, Ore.
Lewis, G. E., Cas. First Nat. Bank, Tallahassee, Fla.
Latimer, G. Byron, Sec. Irving Sav. Inst., New York City.
Mulligan, E. W., Cas. Second Nat. Bank, Wilkesbarre, Pa.
Mitchell, S., Cas. Producers' Bank, Visalia, Cal.
McCornick, W. J., McCornick & Co., Salt Lake City, Utah.
Miles, Jno. E., Asst. Cas. Wells, Fargo & Co. Bank, San Francisco.
Mackay, M. F., Cleveland Trust Co., Cleveland, O.
McKevett, C. H., Pres. First Nat. Bank, Santa Paula, Cal.
McCulloch, J. F., Pres. New Albany Nat. Bank, New Albany, Ind.
Mills, Jesse C., Vice-Pres. Patchogue Bank, Patchogue, N. Y.
Medlar, James A., Treas. Schuylkill Tr. Co., Pottsville, Pa.
McCarthy, John, Asst. Cas. Continental Nat. Bank, Chicago.
McPherson, Geo. L., Alex. McPherson Co., Howell, Mich.
McDonald, Chas., Pres. McDonald State Bank, North Platte, Neb.
Myers, Walter F., Cas. Capital Bank, St. Paul, Minn.

Moss, D. H., Jr., Pres. First Nat. Bank, Mt. Vernon, Wash.
McLean, W. Z., Asst. Cas. Fourth St. Nat. Bank, Philadelphia, Pa.
McKay, A. H., Pres. Central Bank, Santa Barbara, Cal.
Mould, M. H., Pres. First Nat. Bank, Baraboo, Wis.
Marriott, E. G., Bank of Baraboo, Baraboo, Wis.
McAshan, J. E., Cas. South Texas Nat. Bank, Houston, Tex.
Meeker, Claud, of Meeker Bros., Columbus, O.
McHenry, O., Pres. First Nat. Bank, Modesto, Cal.
Musser, D. C., Cas. Bank of Lincoln, Lincoln, Cal.
McKnight, S. P., Cas. Vallejo Commercial Bank, Vallejo, Cal.
Murphy, J. P., Vice-Pres. Milwaukee Nat. Bank, Milwaukee, Wis.
Mierson, Max, Cas. A. Mierson Banking Co., Placerville, Cal.
McDowell, A., Pres. Scotland Neck Bank, Scotland Neck, N. C.
Marshall, S. L., Cas. Ipava State Bank, Ipava, Ill.
Moulton, B. A., Vice-Pres. Corn Exchg. Nat. Bank, Chicago, Ill.
McIntosh, A. V., Teller Utah Nat. Bank, Ogden, Utah.
McKee, R. H., Hy. Andrews & Co., Fairhaven, Wash.
Mossin, J. G., Vice-Pres. Amer. Nat. Bank, Los Angeles, Cal.
Morrison, F. P., Pres. First Nat. Bank, Redlands, Cal.
Mills, Chas. B., Cas. People's T. and S. Bank, Clinton, Ia.
McKee, Y. R., Dir. Capitol Nat. Bank, Guthrie, Okla.
May, Ernest R., Asst. Mgr. Chas. H. May & Co., Clio, Mich.
McIntosh, I. M., Asst. Cas. First Nat. Bank, San Francisco.
Marble, H. D., Vice-Pres. Dollar Sav. and Banking Co., Cleveland, O.
Morey, J. J., Cas. Pajaro Valley Bank, Watsonville, Cal.
Marble, Jno. M. C., Pres. Nat. Bank of California, Los Angeles, Cal.
Mead, Wm., Pres. Central Bank, Los Angeles, Cal.
Morgan, Jno. T., Pres. Citizens' Bank, Grass Valley, Cal.
Manry, W. F., Cas. Neal Loan and Banking Co., Atlanta, Ga.
Mains, W. V., Asst. Cas. First Nat. Bank, Billings, Mont.
Masterman, Eugene, First Nat. Bank, Liberal, Kan.
Moody, Robert, Cas. Amer. Nat. Bank, Everett, Wash.
May, Ernest H., Vice-Pres. First Nat. Bank, Pasadena, Cal.
Manny, Walter B., Dir. Larchmont Nat. Bank, Larchmont, N. Y.
Masterman, E. E., Vice-Pres. Kansas Nat. Bank, Wichita, Kan.
Manheim, E. E., Vice-Pres. Farmers' Nat. Bank, Fresno, Cal.
Moffatt, F. G., Cas. First Nat. Bank, Denver, Colo.
Moyer, W. L., Pres. Internat. Banking Co., New York City.
Maye, S. Chas., Vice-Pres. St. Joseph Stock Yards Bank, St. Joseph, Mo.
McGill, David, Pres. First Nat. Bank, Watseka, Ill.
Meyer, E. L., Pres. First Nat. Bank, Hutchinson, Kan.
McCracken, A., Pres. Central Trust Co., Camden, N. J.
McMates, Geo. W., Pres. Washoe County Bank, Reno, Nev.
Moffitt, Wm. Asst. Treas. Mercantile Trust Co., St. Louis, Mo.
Manly, W. H., Cas. Birmingham T. and S. Bank, Birmingham, Ala.
Mersick, E. S., Pres. Merchants' Nat. Bank, New Haven, Conn.
McKeon, John C., Vice-Pres. Commercial Nat. Bank, Chicago, Ill.
Martin, Alex., Jr., Cas. Klamath Co. Bank, Klamath Falls, Ore.
Mitchell, John R., Vice-Pres. Winona Dep., Winona, Minn.
Miller, Frank, Pres. Nat. Bank D. O. Mills & Co., Sacramento, Cal.
McKee, H. S., Treas. Los Angeles Trust Co., Los Angeles, Cal.
McCauley, W. F., Cas. Savannah B. and T. Co., Savannah, Ga.
Monfort, F. D., Vice-Pres. Second Nat. Bank, St. Paul, Minn.
McComb, Wm. E., Cas. Nat. Exchange Bank, Lockport, N. Y.
Marcel, C. L., Vice-Pres. Bank of Highland, Highland, Kan.
Meidell, M., Asst. Cas. Beresford State Bank, Beresford, S. D.
McAnany, Edwin S., Dir. Commercial Nat. Bank, Kansas City, Kan.
McAlister, J. R., Vice-Pres. Franklin Nat. Bank, Philadelphia, Pa.
Moffitt, T. K., Asst. Cas. First Nat. Bank, San Francisco.
Nichols, Vernon E., Cas. First Nat. Bank of Englewood, Chicago.
Norton, R. E., E. H. Rollins & Sons, Boston, Mass.
Newell, Sidney, Cas. Stockton Sav. Bank, Stockton, Cal.
Nesbit, H. A., Vice-Pres. Cecil Nat. Bank, Port Deposit, Md.
Nelly, Edward, Cas. Wood Co. Bank, Parkersburg, W. Va.
Nelson, G. A., Cas. Capitol Nat. Bank, Guthrie, Okla.
Noble, Herbert, of Noble, Moss & Co., Detroit, Mich.
Newhall, Walter S., Pres. Granite Banking and Trust Co., Monrovia, Cal.
Naylor, P., Pres. First Nat. Bank, Berkeley, Cal.
Nutt, J. R., Sec. Citizens' S. and T. Co., Cleveland, O.
Nevins, Wm. J., Loan Dep. First Nat. Bank, New York City.
Newby, Henry, Cas. Pasadena Nat. Bank, Pasadena, Cal.
Neiman, J. H., Pres. Bank of Whitewater, Whitewater, Kan.
Otis, Joseph E., Western Trust and Savings Bank, Chicago, Ill.
Odenheimer, A. N., Pres. Citizens' State Bank, Eagle Grove, Ia.
Ohliger, L. P., Pres. Wooster Nat. Bank, Wooster, O.
Orde, Geo. F., Cas. Northern Trust Co., Chicago, Ill.
Otts, Lee M., Pres. First Nat. Bank, Greensboro, Ala.
Otey, Paul E., Bkpr. Cal. S. D. and Tr. Co., San Francisco.
Overton, Jno. P., Pres. Sav. Bank of Santa Rosa, Santa Rosa, Cal.
O'Connor, Andrew J., Atty. Exchange Bank, Utica, Ill.
Ochs, A. Kains, Mgr. Can. Bank of Commerce, San Francisco.
Phillips, B. D., Cas. Chautauqua Co. Trust Co., Jamestown, N. Y.
Peters, Jas., Pres. First Nat. Bank, Latrobe, Pa.
Perry, C. O., Cas. Columbian Banking Co., San Francisco, Cal.
Probasco, H. S., Pres. Bank of Chattanooga, Chattanooga, Tenn.
Pittmar, W. Daviess, Bond Officer Mississippi Valley T. Co., St. Louis, Mo.

Peltier, Geo. W., Mgr. Cal. State Bank, Sacramento, Cal.
Pettibone, A. D., Delegate South Cleveland Banking Co., Cleveland, O.
Porter, Warren R., Pres, Pajaro Valley Bank, Watsonville, Cal.
Patterson, Thos. W., Pres. Fresno Nat. Bank, Fresno, Cal.
Parson, James L., Asst. Cas. Chemical Nat. Bank, New York City.
Pinkerton, D. M., Cas. Kansas City State Bank, Kansas City, Mo.
Pierson, D. H., Bank of Manhattan Co., New York City.
Parkinson, G. R., Pres. Bank of Palo Alto, Palo Alto, Cal.
Potter, H. C., Jr., Vice-Pres. State Sav. Bank, Detroit, Mich.
Palmtag, Wm., Pres. Farmers and Merchants' Bank, Hollister, Cal.
Patterson, Herbert J., Pres. Amer. Nat. Bank, Boston, Mass.
Patterson, A. H., Cas. Duquesne Nat. Bank, Pittsburg, Pa.
Preston, C. M., Cas. Hamilton T. and S. Bank, Chattanooga, Tenn.
Phinney, M. M., Vice-Pres. Union Bank, Redlands, Cal.
Page, Calvin, Pres. New Hampshire Nat. Bank, Portsmouth, N. H.
Potter, Edwin A., Pres. Amer. T. and S. Bank, Chicago, Ill.
Powers, J. D., Pres. U. S. Trust Co., Louisville, Ky.
Perfect, A. H., Stockholder First Nat. Bank, Fort Wayne, Ind.
Pugsley, C. A., Pres. Westchester Co. Nat. Bank, Peekskill, N. Y.
Purdy, E. W., Mgr. Graves & Purdy, Whatcom, Wash.
Parrish, A. L., Cas., Owensburg S. B. and T. Co., Owensboro, Ky.
Pierson, Lewis E., Vice-Pres. N. Y. Nat. Exchange Bank, New York City.
Parker, Edward J., Cas. State Sav., L. and T. Co., Quincy, Ill.
Pool, Charles H., Cas. Golden State Bank, San Francisco.
Pyle, W. R., Cas. Bank of Gilroy, Gilroy, Cal.
Robertson, John D., Asst. Sec. Cal. Safe Deposit and Trust Co., San Francisco.
Rhoades, Herbert A., Cas. People's Nat. Chicago, Ill.
Ramsey, Geo. L., Vice-Pres. Union Bank and Trust Co., Helena, Mont.
Rho ades, Herbert A., Cas. People's Nat. Bank, Roxbury, Mass.
Rugg, F. W., Cas. Nat. Rockford Bank, Boston, Mass.
Robinson, F. W., Cas. Producers' Sav. Bank, Bakersfield, Cal.
Roberts, E. D., Pres. San Bernardino Nat. Bank, San Bernardino, Cal.
Rockwell, F. H., Pres. First Nat. Bank, Warren, Pa.
Rice, E. H., Dir. Exchange Nat. Bank, Colorado Springs, Colo.
Rhodes, W., Cas. Lewiston Nat. Bank, Lewiston, Ill.
Roberts, F. W., ex-Com. Central Trust Co., Cleveland, O.
Rigley, Chas. E., Pres. Owasso Savings Bank, Owasso, Mich.
Robinson, J. N., Asst. Cas. First Nat. Bank, Clifton, Ariz.
Runkle, Detmer, Cas. People's Nat. Bank, Hoosick Falls, N. Y.
Read, Theodore, Union and Planters' Bank, Memphis, Tenn.
Robinson, A. H., Vice-Pres. Amer. Nat. Bank, Nashville, Tenn.
Roth, John, Banker, John Roth Exchange Bank, Ackley, Ia.
Redel, T. M., Cas. San Mateo Bank, San Mateo, Cal.
Rinaman, R. L., Dir. First Nat. Bank, East St. Louis, Ill.
Rideout, N. D., Pres. Rideout Bank, Marysville, Cal.
Russell, Andrew, of Dunlap, Russell & Co., Jacksonville, Ill.
Ray, Geo. H., Pres. State Bank, La Crosse, Wis.
Radford, Jos. D., Cas. First Nat. Bank, San Jose, Cal.
Rickey, T. B., Pres. State B. and T. Co., Carson City, Nev.
Reynolds, Arthur, Pres. Des Moines Nat. Bank, Des Moines, Ia.
Reynolds, G. M., Vice-Pres. Continental Nat. Bank, Chicago, Ill.
Runyon, E. W., Pres. Bank of Tehama Co., Red Bluff, Cal.
Reninger, Edward X., Treas. Lehigh Val. Trust and S. D. Co., Allentown, Pa.
Sehmar, R. W., Asst. Cas. U. S. Nat. Bank, Portland, Ore.
Smith, Jas. H., Sec.-Treas. People's Sav. Bank and T. Co., Memphis, Tenn.
Starr, Chandler, Cas. Winnebago Nat. Bank, Rockford, Ill.
Stone, Charles M., Cas. Nat. Bank of Pomona, Pomona, Cal.
Sanborn, Horace R., Pres. Indemnity Sav. and Loan Co., Cleveland, O.
Smith, Andrew, Asst. Cas. Amer. Nat. Bank, Indianapolis, Ind.
Stecher, Henry W., Sec.-Treas. Pearl St. Sav. and Loan Co., Cleveland, O.
Smith, Wm. F., Vice-Pres. Dollar Sav. Bank, Painesville, O.
Scully, John S., Jr., Cas. Diamond Sav. Bank, Pittsburg, Pa.
Stamm, W. P., Cas. Equitable Nat. Bank, Cincinnati, O.
Sanborn, H. R., Cas. State Nat. Bank, Cleveland, O.
Sherman, John M., Cas. First Nat. Bank, Fremont, O.
Shorrock, E., Pres. N. W. T. and S. D. Co., Seattle, Wash.
Sullenberger, S. F., Cas. First Nat. Bank, Globe, Ariz.
Swartwout, Richard H., Courtlandt, Babcock & Co., New York Cit.
Scoville, Louis P., Vice-Pres. Ravenswood Exchange Bank, Chicago, Ill.
Schneider, J. G., Vice-Pres. German-Amer. Bank, St. Joseph, Mo.
Scott, E. M., Cas. Security Sav. Bank, Cedar Rapids, Ia.
Sterling, A. A., Cas. People's Bank, Wilkesbarre, Pa.
Salisbury, B. W., Cas. First Nat. Bank, Monroeville, O.
Sager, F., Knauth, Nachod & Kuhne, New York City.
Schneider, P. V., Cas. Bank of Commerce, Columbus, O.
Smith, Alfred P., Vice-Pres. First Nat. Bank, Las Vegas, N. M.
Smith, R. M., Dir. Citizens' Nat. Bank, Washington, Ia.
Shaw, C. B., Cas. Bank of Cloverdale, Cloverdale, Cal.
Sullivan, J. J., Pres. Central Nat. Bank, Cleveland, O.
Skinner, Geo. A., Cas. Mt. Clemens Sav. Bank, Mt. Clemens, Mich.
Seymour, John A., Cas. Fourth Nat. Bank, Grand Rapids, Mich.
Sartori, J. F., Pres. Security Sav. Bank, Los Angeles, Cal.
Smith, Jas. B., Dir. First Nat. Bank, Pittsburg, Kan.
Sloper, A. J., Pres. New Britain Nat. Bank, New Britain, Conn.
Sauer, John C., Cas. Commercial Nat. Bank, Zanesville, O.
Shillaber, C., Cas. Nat. Mechanics' and Produce Bank, Portsmouth, N. H.

Sandford, Mont. S., Vice-Pres. and Cas. Geneva Nat. Bank, Geneva, N. Y.
Swalwell, J. A., Cas. First Nat. Bank, Everett, Wash.
Steinweg, W. L., Cas. First Nat. Bank, North Yakima, Wash.
Schenck, Jo. F., Pres. First Nat. Bank, Dalles, Ore.
Sloan, David, Pres. Lonaconing Sav. Bank, Lonaconing, Md.
Soule, C. P., Pres. Bank of Eureka, Eureka, Cal.
Stone, Wesley W., Cas. Bank of Arcata, Arcata, Cal.
Schlafly, Aug., Pres. Mo. Tr. Co., St. Louis, Mo.
Schlafly, L. A., Sixth Vice-Pres. Mo. Tr. Co., St. Louis, Mo.
Stringfellow, W. W., Pres. First Nat. Bank, Anniston, Ala.
Summers, W. T., Pres. First Nat. Bank, Juneau, Alaska.
Shreve, H. M., Cas. Farmers and Merchants' Bank, Tulare, Cal.
Sheriff, A. P., Asst. Cas. Harrison Nat. Bank, Cadiz, O.
Strohmeyer, Geo. W., Pres. Milwaukee Nat. Bank, Milwaukee, Wis.
Smith, Chas. R., Pres. First Nat. Bank, Menosha, Wis.
Sharp, H. E., Cas. Exchange Nat. Bank, Colorado Springs, Colo.
Sterling, E. T., Cas. Security State Bank, San Jose, Cal.
Smithson, J. H., Pres. Washington State Bank, Ellensburg, Wash.
Scarth, William, Lincoln Co. Bank, Toledo, Ore.
Saunders, Wm. E. G., Pres. Farmers' Sav. Bank, Emmetsburg, Ia.
Swasey, Herbert H., Sec. Guardian Trust Co., New York City.
Safford, James D., Pres. City Nat. Bank, Springfield, Mass.
Skinner, J. H., Asst. Cas. First Nat. Bank, San Francisco.
Smith, Jos. M., Cas. Farmers' Bank, Selma, Cal.
Spicer, Chas. E., Dir. Southern Bank, Fulton, Mo.
Schmick, W. Harry, Cas. First Nat. Bank, Leetonia, O.
Siton, F. S., Cas. Fulton Co. Nat. Bank, Gloversville, N. Y.
Stockbridge, Wm. R., Pres. and Mgr. Bank of Commerce, Everett, Wash.
Snodgrass, D. S., Cas. and Mgr. First Nat. Bank, Selma, Cal.
Sylvester, W. W., Pres. Bank of Issaquah, Issaquah, Wash.
Smith, C. A., Cas. Laton State Bank, Laton, Cal.
Schively, C. H., Cas. First Nat. Bank, Oroville, Cal.
Story, Geo. A., Cas. Mut. Sav. Bank of San Francisco, San Francisco.
Stone, Edward L., Pres. Century Bank and S. D. Co., Roanoke, Va.
Spence, Jay, Pres. Bank of Oxnard, Oxnard, Cal.
Symmes, Frank J., Pres. Central Trust Co., San Francisco.
Smith, E. Quincy, First and Second Vice-Pres. Union Sav. Bank, Washington, D. C.
Smith, E. C., Pres. Bank of E. Cooke Smith, Pacific Grove, Cal.
Stout, Francis H., Vice-Pres. Liberty Nat. Bank, New York City.
Sawyer, Chas. M., Pres. First Nat. Bank, Morton, Kan.
Skelly, John K., Dir. First Nat. Bank, McKeesport, Pa.
Sbarboro, Andrew, Pres. Italian-Amer. Bank, San Francisco.
Smith, Wm. W., Dir. Fallkill Nat. Bank, Poughkeepsie, N. Y.
Sawyer, J. T., Pres. Citizens' Bank, Waverley, N. Y.
Slade, Wm. B., Pres. Nat. Bank of Columbus, Columbus, Ga.
Shaw, W. M., Asst. Cas. Exchange Nat. Bank, Spokane, Wash.
Tietjen, Paul O., Mgr. Bank of Santa Maria, Santa Maria, Cal.
Tisdale, W. L., Acct. Crocker-Woolworth Nat. Bank, San Francisco.
Turner, C. H., Cas. First Nat. Bank, Mt. Sterling, Ill.
Tower, O. S., Pres. State Sav. Bank, Ionia, Mich.
Taylor, A. B., Cas. Exchange Bank, Lodi, O.
Thorne, Jas., Asst. Cas. Con. Nat. Bank, New York City.
Tuttle, Adelbert C., Treas. Naugatuck Sav. Bank, Naugatuck, Conn.
Thompson, Charles C., Cas. Seaboard Nat. Bank, New York City.
Taft, Oren B., Pres. Pearsons-Taft Land Cred. Co., Chicago.
Tracy, Wm. W., of Tracy & Co., Springfield and Chicago, Ill.
Tomlinson, F. C., Cas. Second Nat. Bank, Ironton, O.
Thomas, Beman, Cas. The Vinton Banking Co., Vinton, O.
Teare, W. H., Asst. Cas. First Nat. Bank, Canton, O.
Tonn, A., Cas. City and County Bank, San Francisco.
Thompson, J. F., Vice-Pres. Bankers' Trust Co., New York City.
Tilden, Wm. A., Cas. Drovers' Dep. Nat. Bank, Chicago, Ill.
Tripp, James H., Pres. First Nat. Bank, Marathon, N. Y.
Van Imoegen, Chas. F., Pres. First Nat. Bank, Port Jervis, N. Y.
Viven, W. E., Cas. Lumbermen's Nat. Bank, Tacoma, Wash.
Van Wagener, John R., Pres. First Nat. Bank, Oxford, N. Y.
Voorhees, David P., Dir. Second Nat. Bank, Somerville, N. J.
Woods, Paul S., Cas. First Nat. Bank, Kingman, Kan.
Welsh, Thos. W., Cas. Second Nat. Bank, Pittsburg, Pa.
Wilson, E. W., Cas. Commercial Nat. Bank, Salt Lake City, Utah.
Wood, J. H., First City Bank, Pomeroy, O.
Willits, Merrill N., Jr., Asst. Cas. Com. Exchange Nat. Bank, Philadelphia, Pa.
Walbeck, Henry C., Cas. German. Ins. Bank, Louisville, Ky.
Watkins, Phil., Cas. First Nat. Bank, Owensboro, Ky.
Wightman, Wm. B., Asst. to Pres. International Banking Corporation, New York City.
Wilson, James K., Pres. San Francisco Nat. Bank, San Francisco.
Weller, John E., Mgr. Bank of Fort Bragg, Fort Bragg, Cal.
Walker, Charles E., Cas. First Nat. Bank, Pomona, Cal.
Warren, C. E., Cas. Lincoln Nat. Bank, New York City.
Whitson, G. S., Vice-Pres. Nat. City Bank, New York City.
Williams, Clark, Vice-Pres. U. S. M. and T. Co., New York City.
Woodward, O. J., Pres. First Nat. Bank, Fresno, Cal.
Ward, M. E., Vice-Pres. Washoe County Bank, Reno, Nev.
Walker, John F., Pres. Commercial Bank, Union City, Tenn.
Wilmine, E. L., Cas. Mohawk Nat. Bank, Schenectady, N. Y.
Wilson, G. E., Dir. Merchants' Nat. Bank, Clinton, Ia.

Worden, L. G., Cas. Com. Bank, Merced, Cal.
Wilson, V. E., Cashier First Bank, Kern, Cal.
Willing, R. P., Jr., Bank of Hazlehurst, Miss.
Wagner, A. H., Cas. First Nat. Bank, Joliet, Ill.
Waldby, H. B., Cas. Waldby & Clay's State Bank, Adrian, Mich.
Wengren, J. E., Cas. First Nat. Bank, Portland, Me.
Watkins, H. H., Cas. Citizens' Bank, Enid, Okla.
Wilson, John, Cas. Bank of Reinbeck, Reinbeck, Ia.
Ward, Wm. E., Asst. Cas. Colonial Nat. Bank, Cleveland, O.
Wallace, Wm., Treas. Warren Sav. Bank Co., Warren, O.
Waity, H. E., Partner, Bishop & Co., Honolulu, Hawaii.
Waters, George J., Cas. Bozeman & Waters, Poseyville, Ind.
Waterman, J. D., Pres. Forest City Nat. Bank, Rockford, Ill.
Wickersham, Saml., Pres. Nat. Bank of Avondale. Avondale, Pa.
White, Jno. J., Dir. Second Nat. Bank, Atlantic City, N. J.
Wick, Chas. J., Cas. Wick Nat. Bank, Youngstown, O.
Wilson, A. J., Pres. The Wilson Bank, Utica, O.
Williamson, J. M., Dir. New Albany Nat. Bank, New Albany, Ind.
White, I. J., Pres. McComb City Bank, McComb City, Miss.
Wing, Jas. S., Sec. California Safe Dep. and Trust Co., San Francisco.
Wilson, G. W., Pres. Vallejo Com. Bank, Vallejo, Cal.
Wyatt, W. O., Pres. Bank of Winters, Winters, Cal.
Ward, William, Pres. Citizens' Bank, Bancroft, Neb.
Woodward, A. B., Ex-Teller First Nat. Bank, San Francisco.
Welch, Robert M., Asst. Cas. San Francisco Sav. Union, San Francisco.
Woolworth, S. T., Cas. Jefferson Co. Nat. Bank, Watertown, N. Y.
Walsh, T. J., Atty. Thos. Cruse Sav. Bank, Helena, Mont.
Webb, A. G., Pres. City Nat. Bank, Niles, O.
Wagenheim, Julius, Nat. Bank of Commerce, San Diego, Cal.
West, J. A., Cas. Tuolumne Co. Bank, Sonora, Cal.
Wachs, Wm. C., Asst. Cas. German Nat. Bank, Cincinnati, O.
Wheatley, R. F., Asst. Cas. Holstein Sav. Bank, Holstein, Ia.
Whaple, Meigs H., Connecticut T. and S. D. Co., Hartford, Conn.
Wilson, Thomas H., First Vice-Pres. First Nat. Bank, Cleveland, O.
Williams, F. B., Dir. Central Sav. Bank, Akron, O.
Wing, Austin E., Asst. Cas. State Sav. Bank, Detroit, Mich.
Wells, K. C., Pres. Union Bank, Redlands, Cal.
White, A. L., Pres. Pierce City Nat. Bank, Pierce City, Mo.
Williams, M. L., Pres. Com. Nat. Bank, Detroit, Mich.
Williams, N. B., Merchants and Manufacturers' Nat. Bank, Columbus, O.
Woodland, Fred B., Cas. Prairie State Bank, Chicago, Ill.
Watson, J. Frank, Pres. Merchants' Nat. Bank, Portland, Ore.
Wingo, C. E., Vice-Pres. Amer. Nat. Bank, Richmond, Va.
Wiggin, A. H., Vice-Pres. Nat. Park Bank of New York, New York City.
Young, Richard B., Banker, E. H. Rollins & Sons, Boston, Mass.
Yegan, C., Pres. Yegan Bros. Sav. Bank, Billings, Mont.
Youmans, Earle S., Pres. First Nat. Bank, Winona, Minn.
Yates, H. W., Jr., Dir. Nebraska Nat. Bank, Omaha, Neb.
Youree, H. H., Vice-Pres. Com. Nat. Bank, Shreveport, La.
Zimmerman, H. S., Asst. Cas. Mellon Nat. Bank, Pittsburg, Pa.
Zeihme, A. E., Pres. Ravenswood Exchange Bank, Chicago, Ill.

Savings Departments in National Banks.—Inquiries as to the right of a National bank to operate a Savings department have been received by the Comptroller in such large numbers that a printed form of reply has been prepared. This form is as follows:

"In reply to your letter of ——, relative to the right of a National bank to operate a Savings department, you are respectfully informed that there does not appear to be anything in the National Bank Act which authorizes or prohibits the operation of a Savings department by a National bank.

Many National banks pay interest on deposits, the receipt of such deposits being evidenced either by entries in the pass books of the depositors or by issue of certificates of deposit. as may be preferred. Deposits of this character must be shown in the reports of the bank, and loaned in the manner provided by the National Bank Act. This would prevent a National bank from accepting real estate collaterals which are deemed judicious for Savings banks. All deposits, however, in a National bank are payable on demand, except when made the subject of special contract, but the right of a bank to make a contract of that nature is a matter for judicial determination.

The expediency of a National banking association, organized for the purpose of doing a business of discount and deposit, engaging in the business of a Savings bank is one for consideration and determination by the board of directors."

As will be seen the Comptroller finds nothing in the law to interfere with a National bank engaging in the business of a Savings bank and accepting deposits subject to special contract. Whether this can be done, however, has not yet been passed on by the courts, and the Comptroller says that the right of a bank to do so is a matter for judicial determination. In the absence of any decision by the courts, the Comptroller inclines to the opinion that a National bank can accept time deposits and also deposits with the agreement that they are not to be withdrawn without sixty or ninety days' notice.

NATIONAL BANK OF COMMERCE, NORFOLK, VA.

This institution, which has experienced a very remarkable growth for a number of years past, has recently still further enlarged its volume of accounts by the absorption of the business of the City National Bank of Norfolk, an institution having $200,000 capital.

The capital and surplus of the National Bank of Commerce have been increased from time to time, keeping pace with the large gain in the bank's business. In 1890 the capital was only $50,000, while now it is $500,000, and in the same time the surplus and profits have grown from $41,000 to over $300,000, and the individual deposits, which were $381,000 on January 31, 1897, advanced to $1,279,000 about four and one half years later, and have steadily gained ever since.

These facts speak very forcibly for the capacity of the bank's management. Of course, the gratifying record made is also due to a considerable extent to the prosperous commercial, industrial and agricultural conditions prevailing in Norfolk and the surrounding country. The bank, by keeping its facilities well up to the public demands, has been in a position to get its due share of this prosperity, and has, in fact, by its wise foresight, greatly aided in upbuilding the city's business interests.

Following is a list of the officers of the bank: President, Nathaniel Beaman; Cashier, Hugh M. Kerr; Assistant Cashier, M. C. Ferebee.

The National Bank of Commerce is one of the South's sound and progressive banks, and in addition to being profitable to its shareholders is acceptably serving the business interests of Norfolk and vicinity.

GEO. D. COOK & CO., BANKERS.

The corporation of Geo. D. Cook Co., of New York and Chicago, was dissolved a short time ago, and the Chicago office discontinued.

The business will be continued at 25 Broad street, New York city, by Geo. D. Cook and Arthur B. Turner, under the style of Geo. D. Cook & Co. Mr. Cook was President of the former corporation and Mr. Turner Assistant Secretary and Treasurer.

They will continue to do a general bond business, making a specialty of Mexican and other foreign investments. The firm has been identified with some large and successful loans of the Mexican Federal Government and some of the Mexican States, and has considerable interests in important business enterprises in Mexico. That country has recently attracted the attention of investors here, and large amounts of American capital have gone into Mexican enterprises. Doubtless these investments will be increased when Mexico places her monetary system on a more stable basis—an event whose early consummation is expected.

Messrs. Geo. D. Cook & Co. are familiar with the Mexican investment field, and their selection for placing the loans of that Government and the success achieved in these important undertakings reflect credit on the firm's financial skill.

BANKING AND FINANCIAL NEWS.

This department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—A special meeting of the shareholders of the National Bank of Commerce will be held November 20 for the purpose of amending the articles of association. It is proposed to provide for additional Vice-Presidents, to change the date of the annual meeting from May to the second Tuesday in January, and to provide that the directors shall be elected by the shareholders. Heretofore, under the bank's charter, the board of directors has been self-perpetuating.

—The Equitable Trust Co. will move into the offices heretofore occupied by the Western National Bank.

—Henry G. Lewis has been elected Assistant Cashier of the Consolidated National Bank. He was formerly connected with the Fourth National Bank.

—A branch office of the Nassau Trust Company, Brooklyn, was opened recently at Fulton street and Red Hook Lane, Brooklyn.

—M. M. Belding, Jr., formerly Vice-President of the Broadway Trust Company, has been elected President in place of Moses May, resigned. Frederic G. Lee, formerly Secretary, will be made Vice-President. Mr. May will continue to act as chairman of the executive committee.

—At the annual meeting of the New York Clearing-House Association, October 6, James Stillman, President of the National City Bank, was re-elected to the presidency for the second term of one year. Gates W. McGarrah, President of the Leather Manufacturers' National Bank, was re-elected secretary.

Important committee changes included: clearing-house committee, J. Edward Simmons, President Fourth National Bank, chairman. New members—Wm. A. Nash, President Corn Exchange Bank; George F. Baker, President First National Bank, and Alexander Gilbert, President Market and Fulton National Bank.

Conference Committee—Richard Delafield, President National Park Bank, chairman. New members—Herbert L. Griggs, President Bank of New York, N. B. A. and Samuel G. Bayne, President Seaboard National Bank.

Nominating Committee—Samuel Woolverton, President Gallatin National Bank, chairman. New members—Stephen Kelly, President Fifth National Bank; Christian F. Tietjen, President West Side Bank; James Rowland, President New York National Exchange Bank.

Committee on Admissions—William H. Porter, President Chemical National Bank, chairman. New members James M. Donald, Vice-President Hanover National Bank; R. L. Edwards, President National Bank of North America, and William L. Moyer, President National Shoe and Leather Bank.

Arbitration Committee—P. C. Lounsbury, President Merchants' Exchange National Bank, chairman. New members—Scott Foster, President People's Bank, and Hart B. Brundrett, President Pacific Bank.

The Manager's annual report for the year ending September 30, 1903, showed these interesting data: clearing-house transactions for the year—exchanges, $70,833,655,940; balances, $3,315,516,487; total transactions, $74,149,172,427.

William Sherer was re-elected Manager, and William J. Gilpin, Assistant Manager.

—On October 12 the New York Clearing-House began its second half century of existence. With the exception of a short talk given by Manager William Sherer to the clerks and representatives of the banks at settlement time, there was no formal observance of the anniversary. The business of the clearing-house for the fifty years, as stated by William J. Gilpin, the Assistant Manager, amounted to $1,507,111,260,380 in exchanges and $71,635,947,263 in balances. The largest amount of exchanges for any one day in the fifty years was $598,000,000 on May 10, 1901. The largest day's balances amounted to $24,970,000 on January 31, 1903. The largest debit balance for any one bank on any one day was $14,582,000, on July 9, 1901. The largest credit balance for any one bank on any one day was $16,471,000, on March 5, 1901. The largest amount brought by any one bank to the clearing-house was $74,564,000; the largest amount received by one bank from the clearing-house was $70,062,000. The largest check known to have gone through the clearing-house was one for $17,000,000, on May 25, 1900.

NEW ENGLAND STATES.

Boston.—On October 25, announcement was made of the consolidation of the National Hamilton Bank and the Fourth National Bank under the name of the latter. The merger has been ratified by a two-thirds vote of the stockholders of both institutions. George W. Newhall will become Vice-President of the Fourth National Bank.

The consolidation plan had been under discussion several weeks. The Fourth National Bank was founded in 1875, and has a capital of $1,000,000. The incorporation of the National Hamilton Bank took place in 1888 with a capital of $500,000.

In 1898 Boston proper contained fifty-two National banks, representing a capital of $48,-150,000. Since that time, mainly through consolidation, the number has been reduced to twenty-eight, with a capital of $30,200,000.

Failures, Suspensions and Liquidations.

Illinois.—J. E. Brown, operating as the Bank of Chatsworth, at Chatsworth, Ill., closed October 20, with liabilities amounting to $33,177.

—The Exchange Bank, of Lockport, closed October 21. It was capitalized at $25,000, and had about $40,000 deposits.

Indiana.—The Bank of Roselawn, owned by Jesse Fry, suspended October 10.

Indian Territory.—On October 26 the Bank of the Chickasaw Nation, doing business at Tishomingo, I. T., closed its doors. Its capital was $50,000.

Maryland—BALTIMORE.—The Union Trust Company suspended October 19, and Miles White, Vice-President of the company, was appointed Receiver. At the close of business March 31, the Union Trust Co. reported $1,000,000 capital, $250,000 surplus, $159,687 undivided profits and about $2,000,000 deposits. It is expected that the company will be able to resume business in a short time.

The Maryland Trust Co., of Baltimore, also suspended October 19, and Allan McLane, a Vice-President of the company, was made Receiver. On June 30 last the company reported $2,125,000 capital, $2,437,500 surplus, $677,998 undivided profits and time and demand deposits $5,778,000.

Michigan.—The Bank of Eau Claire, at Eau Claire, Mich., of which A. C. Probert was President, suspended October 6. The bank was established in the latter part of last August.

Minnesota.—The Farmers and Merchants' Bank, of Lesueur, closed October 22. Liabilities are reported at $50,000.

—The Mapleton State Bank closed October 20, one of the officers having disappeared, and his accounts are reported $18,700 short.

New York—NEW YORK CITY.—The International Bank and Trust Co., a Delaware corporation, doing business in the City of Mexico and having branches in several cities in the United States, was placed in the hands of a Receiver October 21.

—Dye Bros., doing a banking business at Allegany, suspended October 2. Mason M. Dye, who was at the head of the firm, died a few weeks ago. Deposits are reported to be about $250,000.

Pennsylvania—PITTSBURG.—The Federal National Bank, capital $2,000,000, closed October 21. Its deposits amounted to a little over $4,000,000.

—The First National Bank of Allegheny, organized in 1864, was placed in the hands of a Receiver October 22. It is said the assets are more than sufficient to pay depositors.

Wisconsin.—The Montello State Bank closed October 20.

—The Princeton State Bank was closed October 19, and J. E. Liemer, the Cashier, is reported to be under arrest, charged with forging and embezzling to the amount of $69,000. A Receiver has been appointed for the bank.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report. Names of officers and other particulars regarding these new National banks will be found under the different State headings.

NATIONAL BANKS ORGANIZED.

6959—First National Bank, Hartford City, Indiana. Capital, $50,000.
6960—Bernardsville National Bank, Bernardsville, New Jersey. Capital, $30,000.
6961—Bessemer National Bank, Bessemer, Alabama. Capital, $100,000.
6962—First National Bank, Trafford City (P. O. Stewart's Station), Pennsylvania. Capital, $50,000.
6963—Humboldt National Bank, Humboldt, Kansas. Capital, $30,000.
6964—Lackawanna National Bank, West Seneca, New York. Capital, $50,000.
6965—Commercial National Bank, Syracuse, New York. Capital, $250,000.
6966—Burnet National Bank, Burnet, Texas. Capital, $25,000.
6967—Greensboro National Bank, Greensboro, Georgia. Capital, $25,000.
6968—First National Bank, Frost, Texas. Capital, $25,000.
6969—Citizens' National Bank, Curwensville, Pennsylvania. Capital, $100,000.
6970—First National Bank, Gaylord, Kansas. Capital, $25,000.
6971—First National Bank, Williamsburg, Pennsylvania. Capital, $25,000.
6972—First National Bank, Perry, Oklahoma. Capital, $50,000.
6973—First National Bank, Carlton, Minnesota. Capital, $25,000.
6974 Deming National Bank, Deming, New Mexico. Capital, $25,000.
6975—First National Bank, New Concord, Ohio. Capital, $25,000.
6977—First National Bank, Sheldon, North Dakota. Capital, $25,000.
6978—First National Bank, Equality, Illinois. Capital, $25,000.
6979—First National Bank, East Conemaugh, Pennsylvania. Capital, $50,000.
6980—First National Bank, Calvin, Indian Territory. Capital, $25,000.
6981—Commercial National Bank, Oklahoma City, Oklahoma. Capital, $100,000.
6982—American National Bank, Idaho Falls, Idaho. Capital, $25,000.
6983—Farmers and Merchants' National Bank, Mount Morris, Pennsylvania. Capital, $25,000.
6984—First National Bank, Chester, West Virginia. Capital, $50,000.
6985—First National Bank, Hunter, North Dakota. Capital, $30,000.
6986—Citizens' National Bank, Delphi, Indiana. Capital, $100,000.
6987—First National Bank, Yorktown, Texas. Capital, $25,000.
6988—Oakes National Bank, Oakes, North Dakota. Capital, $25,000.
6989 -Pearsall National Bank, Pearsall, Texas. Capital, $50,000.
6990—Commercial National Bank, Sturgis, South Dakota. Capital, $25,000.
6991—Miners' National Bank, Eveleth, Minnesota. Capital, $25,000.
6992—Jackson National Bank, Jackson, Minnesota. Capital, $30,000.
6993—First National Bank, El Monte, California. Capital, $25,000.
6994—People's National Bank, Prosperity, South Carolina. Capital, $25,000.
6995—First National Bank, Bagley, Iowa. Capital $25,000.
6996—First National Bank, Hancock, Minnesota. Capital, $25,000.
6997—First National Bank, Montoursville, Pennsylvania. Capital, $25,000.
6998—First National Bank, Rock Falls, Iowa. Capital, $25,000.
6999—First National Bank, Terra Alta, West Virginia. Capital, $25,000.
7000—First National Bank, Cherry Tree (Grant, P. O.), Pennsylvania. Capital, $25,000.
7001—First National Bank, Greenwich, Ohio. Capital, $25,000.
7002—Merchants' National Bank, Brownsville, Texas. Capital, $100,000.
7003—First National Bank, Swineford, Pennsylvania. Capital, $25,000.
7004—First National Bank, Fort Morgan, Colorado. Capital, $50,000.
7005—Northumberland National Bank, Northumberland, Pennsylvania. Capital, $30.000.
7006 -First National Bank, Ottawa, Ohio. Capital, $25,000.
7007—First National Bank, Lancaster, Wisconsin. Capital, $25,00

7008—First National Bank, Mohall, North Dakota. Capital, $25,000.
7009—First National Bank, Allegany, New York. Capital, $25,000.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice:

First National Bank, Sparta, Georgia: by John D. Walker, *et al.*
Tulsa National Bank, Tulsa, Indian Territory; by Clifton George, *et al.*
Piketon National Bank, Piketon, Ohio: by T. S. Rittenour, *et al.*
First National Bank, Compton, Illinois; by Chas. Bradshaw, *et al.*
First National Bank, Caledonia, Ohio: by Jno. V. Harrison, *et al.*
First National Bank, Mitchell, Nebraska; by H. S. Clark, Jr., *et al.*
First National Bank, Floydada, Texas; by L. T. Lester, *et al.*
First National Bank, Willoughby, Ohio; by James H. Smart, *et al.*
First National Bank, Klamath Falls, Oregon; by Geo. R. Lindley, *et al.*
First National Bank, Granville, North Dakota; by A. L. Ober, *et al.*
Citizens' National Bank, Blooming Grove, Texas; by R. S. Lloyd, *et al.*
First National Bank, Chisholm, Minnesota; by W. J. Power, *et al.*
Texas National Bank, Dallas, Texas; by J. W. Blake, *et al.*
First National Bank, Marysville, Pennsylvania; by J. Harper Sidel, *et al.*
Okemah National Bank, Okemah, Indian Territory; by L. P. Caldwell, *et al.*
Citizens' National Bank, Calvin, Indian Territory; by M. B. Donaghey, *et al.*
First National Bank, Prague, Oklahoma; by Geo. R. Sutton, *et al.*
Randolph National Bank, Elkins, West Virginia: by Elihu Huttan, *et al.*
First National Bank, Cecil, Pennsylvania; by Oswald Eode, *et al.*
First National Bank, Roosevelt, Idaho; by A. B. Melville, *et al.*
Citizens' National Bank, Garland, Texas; by Ben O. Smith, *et al.*
First National Bank, Smithville, Texas: by W. R. Searcy, *et al.*
First National Brnk, Brighton, Colorado; by Gordon Jones, *et al.*
Emaus National Bank, Emaus, Pennsylvania; by M. J. Bockenstoe, *et al.*
Farmers and Merchants' National Bank, Reno, Nevada: by T. F. Dunaway, *et al.*
Stockmen's National Bank, Casper, Wyoming; by C. H. Townsend, *et al.*
First National Bank, Hartshorne, Indian Territory; by C. P. Anderson, *et al.*
First National Bank, Glandorf, Ohio; by B. A. Unverferth, *et al.*
Alexandria National Bank, Alexandria, Virginia; by Wm. B. Smoot, *et al.*
First National Bank, Poseyville, Indiana; by F. M. Smith, *et al.*
First National Bank, Wautoma, Wisconsin; by W. S. Tyler, *et al.*
First National Bank, Milton, Florida; by L. P. Golson, *et al.*
First National Bank, Condon, Oregon; by N. Farnsworth, *et al.*
First National Bank, Edgerton, Wisconsin: by V. S. Kidd, *et al.*
First National Bank, Walsenburg, Colorado; by Fred O. Roof, *et al.*
First National Bank, Rocky Ford, Colorado: by Chas. Bucket, *et al.*
First National Bank, Brocket, North Dakota; by A. J. Gronna, *et al.*
First National Bank, Chrisman, Illinois; by R. H. Osborne, *et al.*
American National Bank, Abilene, Texas; by O. W. Steffons, *et al.*
Farmers and Merchants' National Bank, Monticello, Illinois; by Dwight M. Moore, *et al.*
First National Bank, Madelia, Minnesota; by A. H. Benton, *et al.*

NEW BANKS, BANKERS, ETC.

ALABAMA.

BESSEMER—Bessemer National Bank; capital, $100,600; Pres., Robert F. Smith; Cas., S. D. Clarke.

HARTSELLS Citizens' Bank (branch of Athens); capital, $30,000.

ARIZONA.

FLAGSTAFF—Gosney & Perkins' Bank; Manager, E. S. Gosney; Cas., F. W. Perkins.

ARKANSAS.

ARGENTA—Valley Savings Bank; capital, $13,500; Pres., H. H. Julian; Vice-Pres., A. B. Tapscott; Cas., W. W. Hurst; Treas., E. Meek.

CALICO ROCK—Bank of Calico Rock; capital, $10,000; Pres., C. H. Hogan; Vice-Pres., D. E. Evans; Cas., O. S. Goodman.

COTTER—Baxter County Bank; capital, $10,000; Pres., Clark Hall; Vice-Pres., R. F. Winston; Cas., L. K. Anderson.

MARIANNA—Bank of Marianna; capital, $15,000; Pres., R. L. Mixon; Vice-Pres., Peter Brickey; Cas., Hugh Mixon; Asst. Cas., J. M. Kerr.

SHERIDAN—Grant Co. Bank; capital, $10,900; Pres., J. F. H. Wilson; Cas., Alvin B. Rowland.

VICTORIA—Victoria Bank; Pres., J. M. Drewett; Vice-Pres., W. C. Murphy; Cas., Frank N. Pugh.

CALIFORNIA.

EL MONTE—First National Bank; capital, $25,000; Pres., John H. Bartle.

GEYSERVILLE—Bank of Geyserville; capital, $12,500; Pres., E. F. Woodward; Cas., H. E. Black.

REEDLEY—Reedley State Bank; capital, $12,500; Pres., Jesse Jansen; Vice-Pres., E. W. Holmes; Cas., F. E. Osterhout.

COLORADO.

FORT MORGAN—First National Bank (successor to State Bank): capital, $50,000; Cas., A. M. Johnson.

TIMNATH—Bank of Northern Colo. (branch of Windsor).

GEORGIA.

CONCORD—Concord Banking Co.; capital, $20,000; Pres., C. S. Smith; Vice-Pres., R. A. Mallory; Cas., G. E. Strickland; Asst. Cas., R. C. Mathews.

GREENSBORO—Greensboro National Bank; capital, $25,000; Pres., L. O. Benton; Vice-Pres., W. P. Wallace and J. M. Thompson; Cas., R. L. McCommons; Asst. Cas., J. A. Smith.

NEWBORN—Bank of Newborn; capital, $15,000; Pres., W. P. Wallace; Vice-Pres., J. T. Pitts; Cas., T. R. K. Rogers.

PAVO—Bank of Pavo; capital, $15,000; Pres., E. M. Smith; Vice-Pres., J. Frank Harris; Cas., Hugh C. Ford.

PEMBROKE—Bryan County Bank; capital, $15,000; Pres., Wm. S. Witham; Cas., B. F. Bennett.

TEMPLE—Temple Banking Co.; capital, $15,000; Pres., W. F. Goldin; Vice-Pres., E. L. Connell; Cas., A. K. Snead.

IDAHO.

IDAHO FALLS—American National Bank; capital, $25,000; Pres., Bowen Curley.

ILLINOIS.

CAMBRIDGE—Cambridge State Bank; capital, $25,000; Pres., James Pollock; Vice-Pres., Geo. A. Vawter; Cas., John McFadden.

EQUALITY—First National Bank (successor to Bank of Equality); capital, $25,000; Pres., David Wiedman; Vice-Pres., J. E. Bunker; Cas., A. F. Davenport.

HENNING—John Goodwine, Jr., & Co.

PALMER—Best Bros.; capital, $11,500; Cas., A. E. Best; Asst. Cas., F. R. Best.

PATOKA—Bank of Patoka (S. E. Alton and Chas. E. Blankinshop); Cas., Rettie Nelson.

POTOMAC—John Goodwine, Jr. & Son.

REYNOLDS—State Bank; capital, $25,000; Pres., M. Schoonmaker; Vice-Pres., Elisha Lee; Cas., J. E. Lee.

ROCK FALLS—First National Bank (successor to Rock Falls State Savings Bank); capital, $25,000; Pres., Truman Culver; Cas., O. E. Maxson.

THOMSON—Thomson Bank; Pres., H. S. Peck; Vice-Pres., Robert Dunshee; Cas., Tillie M. DuGard.

WARREN—Farmers' Bank; capital, $180,000; Cas., Michael Morris.

INDIANA.

BOSWELL—Farmers and Merchants' Bank; capital, $40,000; Pres., Wm. C. Smith; Vice-Pres., W. D. Simpkins; Cas., A. B. McAdams; Asst. Cas., Warren Mankey.

CRAWFORDSVILLE — Crawfordsville State Bank; capital, $50,000; Pres., R. C. Willis; Cas., Chas. L. Goodbar.

DELPHI—Citizens' National Bank; capital, $100,000; Pres., James A. Shirk; Vice-Pres., W. W. Shirk; Cas., C. B. Shafer.

HARTFORD CITY—First National Bank; capital, $50,000; Pres., J. P. Rawlings; Vice-Pres., T. W. Sharpe; Cas., H. H. Holbrook; Asst. Cas., G. W. Hutchinson.

OAKLAND CITY—Columbia State Bank; capital, $25,000; Pres., J. W. Skeavington; Vice-Pres., J. D. Keil; Cas., W. T. Creek.

TOPEKA—State Bank; capital, $12,500; Pres., J. N. Babcock; Cas., M. A. Yoder.

INDIAN TERRITORY.

CALVIN—First National Bank; capital, $25,000; Pres., Geo. W. Scales; Vice-Pres., Frank Craig; Cas., Fred C. Russell; Asst. Cas., O. W. Connolly.

CLARKSVILLE — First Bank; capital, $25,000; Pres., I. B. Woodbury; Vice-Pres., E. J. Colvin; Cas., D. Koenig; Asst. Cas., J. W. Capps.

MAYSVILLE — First Bank; capital, $5,000; Pres., T. A. Vaughn; Vice-Pres., D. A. Duncan; Cas., A. C. Homann.

OWASSO—Owasso State Bank; capital, $10,000; Vice-Pres., J. T. Barnes; Cas., S. T. Wolfe.

WETUMKA—Wetumka State Bank; capital, $10,000; Pres., E. W. Miller; Vice-Pres., H. Arrington; Cas., A. V. Skelton.

IOWA.

BAGLEY—First National Bank; capital, $25,000; Pres., H. L. Moore; Vice-Pres., S. Jasinsky.

EMERSON—Emerson State Bank (successor to Farmer's Bank); capital, $30,000; Pres., M. L. Evans; Cas., R. M. Shipman; Asst. Cas., Ira N. Cheney.

GRAVITY—Farmers & Merchants' Savings capital, $10,000; Pres., W. P. Savage; Vice-Pres., F. J. McCarty; Cas., Claude H. Thomas.

IDA GROVE—Ida Grove Exchange Bank; Cas., Leonard S. Smith.

LENOX—Citizens' State Bank (successor to Lenox State Savings Bank and Bank of H. E. Crittenden); capital, $35,000; Pres., S. L. Caldwell; Vice-Pres., O. D. Tyler; Cas., F. Wilkin; Asst. Cas., Fred A. Childs.

PISGAH—Pisgah Banking Co.; Pres., W. J. Buck; Cas., H. D. Sisby.

REMSEN—First National Bank; capital, 30,000; Pres., J. F. Kriege; Vice-Pres., F. G. Meinert; Cas., M. R. Faber; Asst. Cas., Wm. G. Sievers.

SIOUX CITY—Leeds Bank; Pres., E. E. Halstead; Vice-Pres., E. H. Halstead; Cas., Merle R. Bliss.

STANWOOD—Citizens' Bank; capital, $14,000; Pres., Thomas Alexander; Vice-Pres., H. G. Coe; Cas., Otto Evers.

KANSAS.

CLAFLIN—Farmers & Merchants' State Bank; capital, $10,000; Pres., J. F. Strathman; Vice-Pres., Frank Roesler; Cas., H. M. Starr.

FORT SCOTT—Kansas State Bank; capital, $10,000; Pres., W. R. Biddle; Vice-Pres., C. H. Morrow; Cas., Otto A. Schroer; Asst. Cas., D. W. Cockran.

GAYLORD First National Bank; capital, $25,000; Pres., A. M. Lewellen, Jr.; Vice-Pres., Ed. L. Boesche; Cas., Geo. R. Parker.

HUMBOLDT—Humboldt National Bank; capital, $30,000; Pres., W. S. Fallis; Vice-Pres., W. A. Byerley; Cas., Guy S. Speakman; Asst. Cas., R. M. Porter.

MATFIELD GREEN — Matfield Green State Bank; capital, $10,000; Pres., David McKee; Vice-Pres., L. C. Rogler; Cas., T. W. Hafer; Asst. Cas., O. S. Reed.

MULBERRY—Citizens' State Bank; Pres., J. C. Brown; Cas., C. W. Chandler.

PALCO—Palco State Bank; capital, $10,000; Pres., W. T. Miller; Vice-Pres., C. L. Miller; Cas., I. O. Miller.

STARK—Stark State Bank; capital, $5,000; Pres., L. S. Cambern; Vice-Pres., D. B. Lardner; Cas., A. M. Sailors; Asst. Cas., A. R. Sailors.

WAYNE—Wayne State Bank; capital, $10,000; Pres., F. J. Atwood; Vice-Pres., W. W. Bowman; Cas., L. M. Brigham.

KENTUCKY.

BIRDSVILLE—Bank of Birdsville; capital, $7,500; Pres., J. M. Davis; Vice-Pres., G. M. McGrew; Cas., S. P. Berry.

WHITE PLAINS—Farmer's Bank; Pres., W. T. Crofton; Vice-Pres., C. B. Dillingham; Cas., G. O. Prowse.

LOUISIANA.

NEW ORLEANS—Bank of Orleans (will commence January 2, 1904); capital, $100,000; Pres., Peter Hellwege; Vice-Pres., Eugene H. Roberts; Cas., L. Leon Villere; Asst. Cas., Jos. A. Granberry.

MAINE.

CALAIS—International Trust and Banking Co.; capital, $50,000; Pres., Geo. H. Eaton; Vice-Pres., Geo. A. Curran; Cas., Frank V. Lee.

MARYLAND.

THURMONT—Citizens' Savings Bank; Pres., James K. Waters; Vice-Pres., Maurice J. Albaugh; Cas., Harry C. Cover.

MICHIGAN.

COOPERSVILLE — Coopersville State Bank (successor to Oakes & Moore); capital, $20,000; Pres., Willard Dunham; Vice-Pres., Colon C. Lillie; Cas., Chas. M. Moore.

HILLMAN—Montmorency County Bank; Cas., C. H. Osgood.

PORT AUSTIN—Wallace Banking Co. (successor to Horace G. Snover); capital, $25,000; Pres., Robert Wallace; Vice-Pres., Samuel J. Wallace; Cas., John E. Wallace.

SOUTH RANGE - (Baltic P. O.) South Range Bank: capital, $30,000; Pres., R. R. Goodell; Vice-Pres., L. L. Hubbard; Cas., W. R. Thompson; Asst. Cas., H. T. Gray.

WHITE CLOUD — Farmers and Merchants' Bank; capital, $30,000; Pres., O. G. Livingston; Cas., C. M. Livingston.

MINNESOTA.

BARNUM—State Bank; capital, $12,000; Pres., F. A. Goetze; Cas., H. C. Hanson.

BIWABIK—State Bank (successor to Bank of Biwabik); capital, $15,000; Pres., C. H. Taylor; Vice-Pres., C. W. Bray; Cas., F. B. Myers.

CARLTON—First National Bank; capital, $25,000; Pres., R. M. Weyerhauser; Vice-Pres., C. L. Dixon; Cas., John F. Hynes.

DONALDSON—Bank of Donaldson; capital, $8,000; Pres., H. A. Johnson; Cas., O. P. Olson.

DORAN—Bank of Doran; Pres., John Grove; Cas., E. H. Weber.

EVELETH—Miners' National Bank; capital, $25,000; Pres., Walter J. Smith; Cas., R. H. Pearce.

HANCOCK—First National Bank; capital, $25,000; Pres., I. S. Large; Vice-Pres., O. S. Brown; Cas., A. F. McKellar; Asst. Cas., A. Roberts.

JACKSON—Jackson National Bank; capital, $30,000; President, H. G. Anderson; Vice-Pres., W. C. Portmann; Cas., A. W. Quinn; Asst. Cas., W. D. Hunter.

ST. HILAIRE—Merchants' State Bank; capital, $10,000; Pres., L. C. Simons; Vice-Pres., D. Patterson; Cas., K. O. Gigstead.

WINSTED—State Bank; capital, $10,000; Pres., Henry L. Simons; Vice-Pres., F. Vollmer; Cas., C. R. Vollmer.

WINTHROP—Farmers and Merchants' Bank; Pres., E. W. Olson; Vice-Pres., William Dretchko.

MISSISSIPPI.

BAY ST. LOUIS—Merchants' Bank; capital, $20,000; Pres., L. H. Fairchild; Vice-Pres., Jno. Osamoch; Cas., Geo. R. Rea; Asst. Cas., J. E. Saucier.

CLARKSDALE—Bank of Commerce; capital, $60,000; Pres., W. P. Potts; Vice-Pres., H. H. Hopson; Cas., W. E. Meek; Asst. Cas., L. C. Allen.

COLUMBIA—Pearl River Bank; capital, $25,000; Pres., F. A. May; Vice-Pres., A. H. Ball; Cas., J. T. Rankin.

MISSOURI.

COLUMBIA—Boone County Trust Co.; capital, $75,000; Pres., W. A. Bright; Vice-Pres., S. C. Hunt; Cas., Alex. Bradford, Jr.

DALTON—Bank of Dalton; capital, $5,150; Pres., Henry Goll; Vice-Pres., Wm. Bucksath; Cas., Thomas R. Hamilton; Asst. Cas., R. Wessner.

FAYETTE—Commercial Bank; capital, $12,000; Pres., A. P. Hickerson; Vice-Pres., B. W. Malone; Cas., L. W. Jacobs; Asst. Cas., J. R. Gallemore.

GORIN—Citizens' Bank; capital, $25,000; Pres., J. A. Thomas; Vice-Pres., Phillip Miller; Cas., Thos. R. Anderson.

MARSHFIELD—Bank of Marshfield; capital, $10,000; Pres., T. S. Florence; Vice-Pres., John E. Hosmer; Cas., H. A. Smith; Asst. Cas., Jeff. B. James.

O'FALLON—Bank of O'Fallon; capital, $6,000; Pres., M. F. Dunlap; Vice-Pres., J. H. Orf; Cas., W. C. Barron.

SPICKARD—Farmers and Merchants' Bank; capital, $16,000; Pres., W. H. Brewer; Vice-Pres., J. C. Speck; Cas., Ed. W. Cook; Asst. Cas., E. A. Cook.

ST. CLAIR—Bank of St. Clair; capital, $10,000; Pres., B. Ducksworth; Vice-Pres., J. N. Cardwell; Cas., Gilbert Lay.

WARRENSBURG—American Bank; capital, $25,000; Pres., J. C. Chambers; Vice-Pres., Wm. Shockey; Cas., R. F. Gilkeson; Asst. Cas., Earl Coffman.

NEBRASKA.

AINSWORTH—Citizens' State Bank; capital, $7,500; Pres., E. C. Million; Vice-Pres., F. Jouvenat; Cas., R. M. Eldred; Asst. Cas., D. L. Jouvenat.

ODELL—Hinds State Bank; capital, $10,000; Pres., E. B. Hinds; Vice-Pres., T. W. Stanosheck; Cas., Charles N. Hinds; Asst. Cas., James Smethurst.

NEW JERSEY.

BERNARDSVILLE — Bernardsville National Bank; capital, $30,000; Pres., M. F. Ellis; Vice-Pres., R. F. Randolph; Cas., E. L. Kitchell.

NEW MEXICO.

DEMING—Deming National Bank; capital, $25,000; Pres., T. M. Wingo; Vice-Pres., Frank Thurmond; Cas., J. J. Bennett.

NEW YORK.

ALLEGANY—First National Bank; capital, $25,000; Pres., Frederick Smith; Vice-Pres., A. D. Morgan; Cas., Clare Willard.

DOWNSVILLE—A. C. Wilcox & Co.

HIGHLAND FALLS—A. C. Wilcox & Co.

JEFFERSONVILLE—A. C. Wilcox & Co.

NEW YORK—Maiden Lane Savings Bank; Pres., Louis Windmuller; Vice-Pres., W. F. Carleton and Leopold Stern; Sec., Maurice Maas.

ROSCOE—A. C. Wilcox & Co.; capital, $10,000; Pres., A. C. Wilcox; Cas., D. T. Curry.

SYRACUSE—Commercial National Bank (successor to Commercial Bank); capital, $250,000; Pres., Hendrick S. Holden; Vice-Pres., Geo. M. Barnes; Cas., Anthony Lamb.

WEST SENECA—Lackawanna National Bank; capital, $50,000; Pres., C. G. Boland; Vice-Pres., Russell H. Potter; Cas., L. L. Westbrook.

NORTH CAROLINA.

HAW RIVER—Granite Savings & Trust Co.; capital, $2,500; Pres., B. S. Robertson; Vice-Pres., C. P. Albright; Cas., J. A. Long.

NORTH DAKOTA.

CHAFFEE—Chaffee State Bank; capital, $5,000; Pres., C. A. Wheelock; Vice-Pres., James O. Shepard; Cas., C. F. Richardson.

HUNTER—First National Bank; capital, $30,000; Pres., J. H. Gale; Vice-Pres., Joseph Sayer; Cas., W. H. Simmons.——Farmers & Merchants' Bank; capital, $12,000; Pres., R. H. Murphy; Vice-Pres., Julius Rodhalt; Cas., Luth Jaeger.

MARION—Marion Land Co's Bank; capital, $5,000; Pres., F. W. Froemke; Vice-Pres., Ed. Pierce; Cas., N. O. Mouserud.

MOHALL—First National Bank; capital, $25,000; Pres., H. N. Peck.

OAKES—Oakes National Bank; capital, $25,000; Pres., H. S. Nichols; Vice-Pres., C. M. Fairbanks; Cas., E. J. Walton.

PINGREE—Pingree State Bank; capital, $5,000; Pres., Thomas Price; Vice-Pres., James Price; Cas., Rud. Anderson.

SHELDON—First National Bank; capital, 25,000; Pres., Ed. Pierce; Vice-Pres., Geo. Fowler; Cas., James K. Banks; Asst. Cas., Geo. H. Carr.

OHIO.

CARROLLTON—Carrollton Savings & Banking Co. (successor to L. D. Stockton); capital, $50,000; Pres., L. D. Stockton; Vice-Pres., R. E. McDonald; Cas., H. J. Richards; Sec. and Treas., S. M. Stockton.

CLEVELAND—Reserve Trust Co.; capital, $300,000; Pres., Luther Allen; Vice-Pres., C. O. Evarts; Sec., Wm. N. Perrin; Treas., C. E. Burkey.

GREENWICH—First National Bank; capital, $25,000; Pres., W. S. Anderson; Vice-Pres., A. Frayer; Cas., J. S. White.

MINGO JUNCTION—Jefferson County Bank; capital, $35,000; Vice-Pres., M. B. Jewett; Cas., B. R. Cole.

NEW CONCORD—First National Bank; capital, $25,000; Pres., Wm. Yakey; Vice-Pres., Joseph Shaw and M. W. Hissey; Cas., Roy Speer.

OTTAWA—First National Bank; capital, $25,000; Pres., David N. Powell; Vice-Pres., Wm. Annesser; Cas., J. C. Jones.

OKLAHOMA.

GRAVES—The Citizens' State Bank; capital,

$6,500; Pres., T. H. Lindley; Vice-Pres., H. P. Grow; Cas., Leon L. Hoyt.

OKLAHOMA—Commercial National Bank; capital, $100,000; Pres., John Threadgill; Vice-Pres., C. F. Colcord; Cas., John C. Hughes; Asst. Cas., E. C. Trueblood.

PERRY—First National Bank (successor to Noble County Bank); capital, $50,000; Pres., H. C. Walderstedt; Vice-Pres., D. T. Flynn; Cas., C. D. Jensen; Asst. Cas., G. M. Ellis.

PENNSYLVANIA.

CHERRY TREE (Grant P. O.)—First National Bank; capital, $25,000; Pres., Porter Kinports.

CONEMAUGH—First National Bank of E. Conemaugh; capital, $50,000; Pres., Daniel W. Davis; Vice-Pres., Lewis Orris; Cas., Walter Dowling.

CURWENSVILLE—Citizens' National Bank; capital, $100,000; Pres., E. A. Irvin; Vice-Pres., Jno. S. Furst; Cas., L. W. Spencer.

ERIE—Security Savings and Trust Co.; capital, $200,000; Pres., R. J. Morehead; Vice-Pres., W. C. Culbertson; 2d Vice-Pres., E. D. Carter; Treas., A. B. McDonald.

FREEDOM—Freedom Savings and Trust Co.; capital, $125,000; Pres., E. J. Schleiter; Vice-Pres., S. Morgan; Treas., Charles E. Shiffer; Asst. Treas., August Schleiter.

JENKINTOWN—Jenkintown Trust Co.; capi- $125,000; Pres., Henry K. Walt; Vice-Pres., J. Elwood Peters; Treas., Paul Jones; Asst. Treas., James W. Hunsberger.

LANDISBURG—Bank of Landisburg; Pres., D. S. Minniken; Vice-Pres., D. H. Sheibley; Cas., S. B. Hettrick.

McDONALD—McDonald Savings and Trust Co.; capital., $125,000; Pres., J. P. Scott; Cas., W. L. Scott.

MONTOURSVILLE—First National Bank; capital, $25,000; Pres., Chas. E. Bennett; Vice-Pres., I. F. Stetler; Cas., Jno. H. Sherman.

MOUNT MORRIS—Farmers and Merchants' National Bank; capital, $25,000; Pres., Robert Shear; Vice Pres., J. B. Morris; Cas., J. W. Rogers.

NORTHUMBERLAND — Northumberland National Bank; capital, $30,000; Pres., Chas. Steele.

SWINEFORD—First National Bank; capital, $25,000; Pres., M. K. Schoch; Vice-Pres., B. W. Yoder; Cas., J. R. Krieger.

TRAFFORD CITY (P. O. Stewart's Station)—First National Bank; capital, $50,000; Pres., J. F. Hepler; Vice-Pres., H. L. Greer; Cas., J. S. Brown.

WILLIAMSBURG—First National Bank (successor to Farmers' Bank); capital, $25,000; Pres., David Shelly; Vice-Pres.. S. T. Nelrick; Cas., E. S. Shelly.

SOUTH CAROLINA.

BELTON—Belton Savings & Trust Co.

GREENWOOD—Loan & Exchange Bank; capital, $50,000; Pres., C. P. Simmond; Vice-Pres., J. T. Simmons; Asst. Cas., James T. Medlock.

LATTA—Bank of Latta; Pres., J. H. Manning; Vice-Pres., J. S. Bethea; Cas., A. S. Manning.

MANNING — Bank of Clarendon; capital, $25,000; Pres., J. A. Weinberg; Vice-Pres., W. E. Jenkinson; Cas., J. L. Wilson.

PIEDMONT — Bank of Piedmont; capital, $15,000; Pres., W. A. Simpson; Vice-Pres., E. P. Vandiver; Manager, Jos. Norwood.

PROSPERITY—People's National Bank; capital, $25,000; Pres., M. A. Carlisle; Vice-Pres., H. C. Mosely; Cas., W. W. Wheeler.

TIMMONSVILLE — Citizens' Bank; capital, $30,000; Pres., Charles A. Smith; Vice-Pres., W. P. Henry; Cas., W. H. Lowman.

SOUTH DAKOTA.

CHAMBERLAIN — Chamberlain State Bank (successor to Bank of Iowa & Dakota); capital, $15,000; Pres., D. Montgomery; Cas., W. L. Montgomery; Asst. Cas., Lee W. Montgomery.

CORONA — Roberts County State Bank; capital, $2,500; Pres., Howard Babcock; Vice-Pres., J. A. Rickert; Cas., L. V. Peek.

FARMER—State Bank of Farmer; capital, $6,000; Pres., N. J. Brockmann; Vice-Pres., M. D. Gates; Cas., Frank A. Gates; Asst. Cas., J. H. Masters.

ROCKHAM—State Bank; capital, $5,000; Pres. and Cas., Ed. Siefkin.

STURGIS—Commercial National Bank; capital, $25,000; Pres., H. C. Bostwick; Vice-Pres., Edward Galvin; Cas., M. M. Brown.

TINTON—Bank of Tinton; capital, $10,000; Pres., Charles Waite; Cas., H. J. Ainley.

TEXAS.

BROWNSVILLE—Merchants' National Bank; capital, $100,000; Pres., E. H. Goodrich; Vice-Pres., John McAllen; Cas., J. G. Fernandez.

BURNET—Burnet National Bank; capital, $25,000; Pres., Otho S. Houston; Vice-Pres., F. P. Green; Cas., C. W. Howard.

FROST—First National Bank; capital, $25,000 Pres., J. L. Halbert; Vice-Pres., J. C. Duke; Cas., G. J. Heflin; Asst. Cas., J. M. Tullos.

PEARSALL—Pearsall National Bank; capital, $50,000; Pres., C. H. Beever; Cas., J. M. Riggan.

YORKTOWN—First National Bank; capital, $25,000; Pres., Wm. Eckhardt; Cas., Chas. J. Eckhardt.

WEST VIRGINIA.

CHESTER—First National Bank (successor to Industrial Bank); capital, $50,000; Pres., Jno. A. Campbell; Vice-Pres., J. N. Finley; 2nd Vice-Pres., Geo. E. Lewis; Cas., O. O. Allison.

CLARKSBURG—Farmers' Bank; capital, $100,000; Pres., A. J. Fletcher; Vice-Pres., Ira Post; Cas., Chas. H. Furbee.

TERRA ALTA—First National Bank; capital,

$25,000; Pres., J. S. Lakin: Vice-Pres., P. R. McCrum: Cas., C. A. Miller.

TUNNELTON — Tunnelton Bank; capital, $50,000; Pres., A. J. Bonafield; Vice-Pres., M. C. Gibson; Cas., John J. McKone, Jr.

WISCONSIN.

AMHERST JUNCTION—Security Bank: capital, $8,500; Pres., C. L. Buswell; Vice-Pres., C. A. Ein; Cas., H. N. Nelson.

LANCASTER—First National Bank; capital, $25,000; Pres., P. T. Stevens; Vice-Pres., W. A. Johnson; Cas., F. W. Stevens.

OSHKOSH—Oshkosh Savings & Trust Co.; capital, $100,000; Pres., Leander Choate; Vice-Pres., J. J. Stevenson; Sec. and Treas., C. W. Knippene.

SHELL LAKE—Wisconsin State Bank; capital, $10,000; Pres., P. M. Reagan; Vice-Pres., John Aberg; Cas., L. I. Bullis.

WYOMING.

CENTENNIAL—Centennial Trust Co.; capital, $10,000: Pres., Fred A. Miller; Vice-Pres., Jos. B. McKee; Cas., John D. Shrock.

CANADA.

ONTARIO.

BELMONT - Sovereign Bank of Canada; Mgr., L. P. Snyder.

EMBRO—Traders' Bank of Canada; Mgr., F. G. Depew.

MOUNT BRYDGES—Union Bank of Canada; Mgr., W. B. Dunn.

QUEBEC.

BUCKINGHAM--Bank of Ottawa; Mgr., David Robertson.

FRELIGHSBURG--Sovereign Bank of Canada.

LEVIS—Bank of British North America; Mgr. *pro tem*, E. F. Racey.

CHANGES IN OFFICERS, CAPITAL ETC.

ALABAMA.

OZARK—Ozark City Bank; capital increased to $100,000.

ARKANSAS.

ARKADELPHIA—Elk Horn Bank (incorporated); capital, increased to $150,000.

PINE BLUFF—Simmons National Bank; Z. Orto, Pres. in place of J. F. Simmons.

CALIFORNIA.

BERKELEY—University Savings Bank; John U. Calkins, Cas. in place of F. S. Page.

LOS ANGELES -Merchants' National Bank; Herman W. Hellman, Pres. in place of W. L. Graves; W. L. Graves, Vice-Pres.; Henry Anderson, Asst. Cas. in place of Newman Essick, resigned; Marco H. Hellman, additional Asst. Cas.—First National Bank; John D. Bicknell, First Vice-Pres. in place of Wm. G. Kerckhoff

COLORADO.

GLENWOOD SPRINGS — Citizens' National Bank; B. T. Napier, Pres.; Geo. Yule, Vice-Pres.; M. Waessel, Asst. Cas.

CONNECTICUT.

ROCKVILLE — Savings Bank of Rockville; Lebbeus Bissell, Treas., deceased;

FLORIDA.

JACKSONVILLE—National Bank of Jacksonville; W. B. Barnett, Pres., deceased.

GEORGIA.

CARTERSVILLE—First National Bank; Geo. S. Crouch, Pres. in place of J. W. Vaughan.

IDAHO.

ST. ANTHONY--St. Anthony Banking Co. (incorporated); capital increased to $25,000.

ILLINOIS.

CHANDLERVILLE—Conover, Skiles & Mertz; succeeded by State Bank.

CHARLESTON—First National Bank; Philip B. Davis, Asst. Cas., resigned.

DE KALB—First National Bank; E. P. Ellwood, Pres. in place of John H. Lewis.

ERIE—First National Bank; Arthur M. Lane, Vice-Pres.

MONTICELLO—H. V. Moore & Co.; H. V. Moore, deceased.

PEORIA—Dime Savings Bank; Geo. W. Curtiss, Vice-Pres. and Manager; T. B. Wissing, Cas. in place of Rudolph Pfeiffer, resigned.

RAYMOND—First Nateonal Bank; Cyrus Fitz Jerrell, Vice-Pres.; J. E. McDavid, Cas.

ROCKFORD—Rockford National Bank; Gilbert Woodruff, Pres., resigned.

TREMONT—First National Bank; Fred H. Trout, Pres. in place of Louis A. Buchner; Edward Pratt, Vice-Pres. in place of Fred H. Trout.

INDIANA.

BLUFFTON—Studabaker Bank (incorporated); capital increased to $200,000.

CHARLESTOWN—First National Bank; McD. Reeves, Vice-Pres.; E. B. Long, Cas.

DYER—First National Bank; M. Gettler, Asst. Cas.

MITCHELL—First National Bank; Edward M. Keane, Asst. Cas. in place of Kenley E. Horn.

RICHMOND—First National Bank; June M. Gayle, Pres. in place of J. M. Crawford; J. M. Crawford, Vice-Pres. in place of W. S. Gayle, deceased.

SO. WHITLEY Gandy's Bank; title changed to Gandy State Bank; capital, $25,000; Oscar Gandy, Pres.; Mose Mayer, Vice-Pres.; Louis Mayer, Cas.

INDIAN TERRITORY.

DUNCAN—First National Bank; no Cas. in place of J. M. Armstrong.

OKMULGEE—Okmulgee National Bank; T. F. Randolph, Pres. in place of John T. Stewart.

IOWA.

IOWA FALLS—Home Savings Bank; Edwin O. Soule, Cas., resigned.

PACKWOOD—Farmers' Savings Bank; capital increased to $20,000.

PANORA—Guthrie County National Bank; Wade Spurgin, Asst. Cas.

POCAHONTAS—First National Bank; J. H. Allen, Pres. in place of L. C. Thornton; C. S. Allen, Vice-Pres. in place of W. D. McEwen; F. W. Lindeman, Cas. in place of W. S. McEwen; no Asst. Cas. in place of James Bruce.

SIGOURNEY—First National Bank; Harry G. Brown, Pres. in place of G. D. Woodin, deceased.

STUART—First National Bank; Jacob F. Blackman, Cas. in place of M. R. Porter, resigned; A. C. Curtis, Asst. Cas.

KANSAS.

BURLINGTON—Farmers' National Bank; W. F. Swift, Pres.

CHANUTE—First National Bank and National Bank of Chanute; consolidated under former title; capital increased to $100,000; surplus, $20,000; Geo. N. Lindsay, Pres.

COFFEYVILLE—State Bank; A. R. Jack, Cas., deceased.

KENTUCKY.

BEARD—Beard Deposit Bank; Mrs. Samuel Royster, Asst Cas. in place of Samuel Woods, resigned.

LEXINGTON—First National Bank; W. B. Brock, Asst. Cas. in place of Henry P. Kinkead, resigned.

LONDON—First National Bank; W. B. Catching, Pres. in place of Vincent Boreing, deceased.

WILLIAMSTOWN — Grant County Deposit Bank; R. H. O'Hara, Pres., deceased.

MAINE.

AUBURN—National Shoe & Leather Bank; capital decreased to $200,000.

PORTLAND—Swan & Barrett; absorbed by Portland Trust Co.

YORK VILLAGE — York County National Bank; Ruth E. P. Bragdon, Asst. Cas. in place of Ruth E. Putnam.

MARYLAND.

FREDERICK—Farmers and Mechanics' National Bank; David C. Winebrener, Pres., deceased.

MASSACHUSETTS.

BOSTON — National Hamilton Bank and Fourth National Bank; consolidated under latter title.

GREENFIELD—Greenfield Savings Bank; W. G. Packard, Pres. resigned.

WESTBORO—First National Bank; Otis K. Newton, Asst. Cas., deceased.

WORCESTER—Quinsigamond National Bank; M. V. B. Jefferson, Pres. in place of E. B. Stoddard, deceased.——Worcester Five Cents Savings Bank; Henry M. Witter, Pres. in place of E. B. Stoddard, deceased; Edwin Brown, Vice-Pres.

MICHIGAN.

GRAND HAVEN—National Bank of Grand Haven; no Cas. in place of Dustin C. Oakes, deceased.

MINNESOTA.

ALBERT LEA—Security National Bank; W. A. Morin, Vice-Pres.

BRAINERD—First National Bank; G. D. La Bar, Pres. in place of A. F. Ferris, deceased; F. A. Farrar, Cas. in place of G. D. La Bar; Geo. H. Brown, Asst. Cas. in place of F. A. Farrar.

CAMPBELL—First National Bank; J. W. Gray, Vice-Pres. in place of O. A. Robertson.

EMMONS—First National Bank; H. H. Emmons, Pres. in place of H. M. Martinson.

FOSSTON—First National Bank; Charles F. Sawyer, Cas.

SPRING VALLEY—First National Bank; T. L. Beiseker, Pres. in place of W. P. Tearse; no Vice-Pres. in place of Everett Jones; Everett Jones, Cas. in place of J. H. Davis, Jr.

WALKER—Walker State Bank; F. B. Davis, Cas. in place of F. A. Kneeland, resigned.

NEBRASKA.

OAKDALE—Antelope County Bank; E. C. Million, Pres.; Geo. B. Boyd, Vice-Pres.; A. H. Bohannon, Cas.

NEW JERSEY.

PASSAIC—Passaic National Bank; Charles M. Howe, Pres. in place of David Carlisle; G. W. Blanchard, Vice-Pres. in place of Chas. M. Howe; W. F. Gaston, 2nd Vice-Pres.

SEABRIGHT—First National Bank; Charles W. Jones, Cas. in place of Thomas A. Ward, resigned.

NEW YORK.

BROOKLYN—Stuyvesant Heights Bank; title changed to Stuyvesant Bank.——Manufacturers' National Bank; William Dick, Pres. in place of John Loughran, deceased.

DUNKIRK—Merchants' National Bank; Robert J. Gross, Pres. in place of Frank May, resigned; Frederick W. Smith, Vice-Pres.

FULTON—Citizens' National Bank; H. E. Hannis, Cas. *pro tem.* in place of Geo. Kellogg, deceased.

ILION—Ilion National Bank; Bertram D. Lewis, Asst. Cas., deceased.

NEW YORK—Bankers' Trust Co.; removed to 7 Wall Street.——Greenwich Savings Bank; John Wilson, 2nd Vice-Pres., deceased.——Broadway Trust Co.; M. M. Belding, Jr., Pres. in place of Moses May, resigned; Frederick G. Lee, Vice-Pres.——U. S. Mortgage & Trust Co.; Geo. M. Cumming, Vice-Pres.——R. J. Kimball & Co.; R. J. Kimball, deceased.——Citizens' Savings Bank; Barak G. Coles, 1st Vice-Pres. in place of William

E. Clark, deceased; John L. Dudley, 2nd Vice-Pres. in place of Barak G. Coles.——National Bank of Commerce in New York (successor to Western National Bank of the U. S.); Valentine P. Snyder, Pres.; J. P. Morgan, R. A. McCurdy, James H. Hyde, Thomas F. Ryan, Henry A. Smith, Vice-Pres.: Wm. C. Duvall, Cas.: Chas. L. Robinson, Neilson Olcott, J. S. Alexander, Oliver L. Pilat, H. B. Fonda, Clarence Foote, E. A. Montell, Jr., Asst. Cas.

SARATOGA SPRINGS — Citizens' National Bank; F. V. Hewitt, Vice-Pres. in place of of W. T. Rockwood, deceased.

UTICA - Utica City National Bank; capital increased to $800,000.

OHIO.

CLEVELAND—Genessee Savings and Banking Co.: absorbed by Reslrve Trust Co.

MASSILON—State Bank; Albert G. Wetter, Cas., deceased.

XENIA—Citizens' National Bank: M. L. Wolf, Cas. in place of F. E. McGervey; T. D. Kyle, Asst. Cas.

OKLAHOMA.

GRANITE—Granite State Bank; capital increased to $25,000.

LEGER—First National Bank; J. S. Wood, Cas. in place of W. C. Baker.

MEDFORD—First National Bank; I.R. Heasty, Cas. in place of W. E. Wood.

PENNSYLVANIA.

COLUMBIA—Columbia Trust Co.; William B. Given, Pres., resigned.

CONSHOCKEN—Tradesmen's National Bank; John R. Wood, Cas. in place of Isaac Roberts, resigned.

DOYLESTOWN—Doylestown National Bank (in hands of Receiver July 30); authorized by Comptroller to resume business Oct. 13; John N. Jacobs, Pres.: Isaac Roberts, Cas.

ELIZABETH—First National Bank; Wm. T. Pierce, Pres. in place of W. S. Kuhn; C. P. McClure, Vice-Pres. in place of Wm. T. Pierce.

GETTYSBURG—Gettysburg National Bank; Wm. McSherry, Vice-Pres. in place of John B. McPherson.

MOUNT CARMEL—Mount Carmel Banking Co.; Geo. E. Berner, Cas. in place of J. S. Furst, resigned.

PITTSBURG—Washington National Bank; S. C. Armstrong, Cas. in place of A. W. Hecker; A. W. Hecker, Asst. Cas.——Tradesmen's National Bank; F. A. Griffin, Vice-Pres. in place of S. S. Crump; no Asst. Cas. in place of A. P. Dysart.

SCRANTON—South Side Bank; Frank Hummler, Pres.

TOWANDA—Citizen's National Bank; Morris Shepard, Pres. in place of E. Overton, deceased.

TREMONT—Tremont National Bank; T. J. Murphy, Vice-Pres. in place of W. G. Stofler.

YORK — Drovers and Mechanics' National Bank; W. F. Weiser, Cas. in place of G. K. Schenberger, resigned.

RHODE ISLAND.

PROVIDENCE — Providence Institution for Savings; Robert I. Gammill, Vice-Pres. in place of Royal C. Taft, resigned.

SOUTH CAROLINA.

COLUMBIA — National Loan & Exchange Bank; E. C. Cathcart, Asst. Cas.

LATTA—Farmers & Merchants' Bank; Herbert A. Bethea, Cas. in place of A. S. Manning.

SOUTH DAKOTA.

ANDOVER — Citizens' State Bank; J. W. Krueger, Cas.

TEXAS.

CARTHAGE—Merchants & Farmers' National Bank; C. H. Pollard, Cas. in place of L. J. Smith; no Vice-Pres. in place of L. J. Smith.

DAINGERFIELD—National Bank of Daingerfield; J. Y. Bradfield, Pres., deceased.

DALLAS—Trinity Valley Trust Co.; capital increased to $8,000.

DUBLIN — Citizens' National Bank; R. B. Spencer, Pres. in place of F. M. Brown, deceased; no Vice-Pres. in place of R. B. Spencer; J. H. Reese, Cas.; no Asst. Cas. in place of J. H. Reese.

GRANBURY—City National Bank; W. D. Wilson, Asst. Cas.

MARBLE FALLS—First National Bank; R. H. Evans, Pres. in place of T. M. Yett; resigned; Rudolph Ebeling, Vice-Pres. in place of J. R. Yett, resigned.

NEDERLAND—First National Bank; F. E. Rockhill, Asst. Cas. in place of A. C. Walker.

RICE—Rice Banking Co. and Planters and Merchants' Bank; consolidated.

SMITHVILLE—Bank of Smithville; M. L. Tansey, Cas. in place of Theodore Smith, resigned.

SOUR LAKE—Sour Lake National Bank; Geo. W. Armstrong, Pres. in place of W. T. Campbell; W. T. Campbell, Vice-Pres.

VERMONT.

MONTPELIER — Montpelier National Bank; H. L. Farwell, Asst. Cas.

RUTLAND—Clement National Bank; O. F. Harrison, Vice-Pres., deceased; also Treas. State Trust Co.

VIRGINIA.

NORFOLK — National Bank of Commerce; Robert P. Voight, Vice-Pres., deceased.

RICHMOND — Merchants' National Bank; James R. Perdue, Act. Cas. from October 6 to November 9.

WASHINGTON.

CONCONULLY—Methow Bank of Twisp; consolidated with Commercial Bank of Conconully.

WEST VIRGINIA.

PARKERSBURG — Commercial Banking and Trust Co.; B. S. Pope, Pres. in place of H. C. Jackson; J. A. Wetherell, Vice-Pres.

PHILLIPI—First National Bank; D. J. Taft, Asst. Cas.

WISCONSIN.

MANITOWOC—National Bank of Manitowoc; Leander Choate, Pres. in place of L. D. Moses; Emil Teitgen, Vice-Pres. in place of Leander Choate.

WYOMING.

DOUGLAS—First National Bank; John Morton, Vice-Pres. in place of J. De Forest Richards.

CANADA.

ONTARIO.

VANKLEEK HILL — Bank of Ottawa; D. Robertson; no longer Mgr.

QUEBEC.

MONTREAL — Bank of Montreal; H. V. Meredith, Asst. Gen. Mgr.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ILLINOIS.

CHATSWORTH—Bank of Chatsworth.
LOCKPORT—Exchange Bank.

INDIANA.

ROSELAWN—Bank of Roselawn.

INDIAN TERRITORY.

TISHOMINGO—Bank of the Chickasaw Nation.

MARYLAND.

BALTIMORE—Maryland Trust Co.——Union Trust Co.

MICHIGAN.

EAU CLAIRE—Bank of Eau Claire.

MINNESOTA.

FOXHOME—Bank of Foxhome.
LESUEUR—Farmers and Merchants' Bank.
MAPLETON—Mapleton State Bank.

NEW YORK.

ALLEGANY—Dye Bros.
NEW YORK—International Bank and Trust Co.; in hands of James H. Hughes, Receiver.

PENNSYLVANIA.

ALLEGHENY—First National Bank; in hands of Receiver, October 22.
PITTSBURG — Federal National Bank; in hands of Receiver, October 21.

WISCONSIN.

MONTELLO—Montello State Bank.
PRINCETON—Princeton State Bank; in hands of Edward C. Martin, Receiver.

MEXICO.

CITY OF MEXICO—International Bank and Trust Co. (branches at New York and San Francisco.)

New Counterfeit $5 Silver Certificate (INDIAN HEAD).—Series of 1899; check letter A; plate number 161; J. W. Lyons, Register of the Treasury; Ellis H. Roberts, Treasurer of the United States.

The most noticeable defect in this counterfeit is the coarse, blotchy appearance of the Indian head. The paper is of good quality with red ink lines to imitate the silk threads of the genuine.

The lines of the lathe work, particularly on back of note, are broken into small white dots and dashes.

The good general appearance of this counterfeit will deceive the ordinary handler of money, but an examination of the Indian portrait should result in its detection.

Rare and Valuable Coins.—A rare and interesting collection of gold coins will be exhibited at the World's Fair by Ira D. Garman, of Philadelphia. The coins run from $50 gold pieces to 25 cent pieces. The most valuable coin is a $50 California gold piece, dated 1855. It is said to be worth $300 in the numismatic market. It is more than twice as large as a silver dollar. The oddest coins of the collection are the California octagons—very comely and attractive pieces. The 25-cent pieces are very small, and thin enough to be bent between the fingers. Some are octagonal and some are round. An exceedingly rare coin of the collection is a papal, or Pope's coin. It is gold, and the size of a $10 gold piece. Contained in the collection are many California gold coins which are very valuable, because they date back to the days of '49, and are the output of private mints.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, November 3, 1903.

THE MARKED IMPROVEMENT IN THE BOND MARKET last month seems to have been accepted as of peculiar significance. There has been an exceptional advance in the price of bonds accompanied by a broadened demand. The movement began even before the decline in the stock market had ceased, low records for a number of stocks being made in the first half of the month. In some cases the prices of railroad bonds have advanced as much as four per cent. since October 1.

In connection with this very encouraging condition the placing of $20,000,000 of bonds with a prominent banking house by the Pennsylvania Railroad Company late in the month was considered as indicative of the return of confidence. These bonds are in two issues of $10,000,000 each, both guaranteed by the Pennsylvania Railroad. One issue is secured by a mortgage on the Long Island Railroad, and the other consists of bonds issued by the Philadelphia, Baltimore and Washington Railroad Company. The bonds bear four per cent. and run about forty years. That any banking house should undertake to dispose of $20,000,000 of bonds to the public at this time suggests that investors are regaining confidence, a fact illustrated, as already mentioned, in the activity and strength of the bond market.

It is true that all the events of the past month have not been of a favorable character. On the contrary the incidents of the early part of the month were in many respects of a disagreeable character. The revelations in the United States Shipbuilding matter were an unfortunate commentary on modern financiering. The consideration shown for the outside investor by the inside manipulator, as revealed in this instance, was not of the kind to strengthen confidence.

Another event, the reduction in the dividend on the common stock of the United States Steel Corporation, from a basis of four per cent. to two per cent. per annum, had a disturbing effect. While the management has been commended for its conservatism in reducing the dividend when the earnings declined, the fact that there is more than $500,000,000 of the stock outstanding, distributed among holders numbering very many thousands, some of whom bought the stock when it was selling at fifty or higher, made the decrease in dividends far-reaching in its effect. It is generally conceded, however, that the dividend should have been reduced if not passed altogether.

With other unfavorable events there came the report of the failure of two trust companies in Baltimore, followed in the same week by the failure of a Pittsburg bank, and of another at Allegheny, Pa. Following these came a run on the trust companies in St. Louis, which seemed to have no reasonable excuse. This caused, however, a withdrawal of money from New York and a sharp advance in rates, with a decline in foreign exchange almost to the gold-importing point just at the close of the month.

Whatever may have been the situation a month ago, there is much at the present time to cause a more hopeful feeling. There is a possibility of dearer money in the near future, yet it is based upon the substantial fact of large crops to be moved. In the single case of cotton it is figured that as prices are now ruling it will require probably $100,000,000 more to pay for this year's crop than for the crop of 1902.

From the October report of the Department of Agriculture on the condition of the grain crops on October 1, estimates of the probable yield have been made, which are very favorable for both corn and wheat. We show the estimate for those crops, and also of oats, with the figures for the previous five years:

Year.	*Wheat.* Bushels.	*Corn.* Bushels.	*Oats.* Bushels.
1898	675,148,705	1,924,184,600	730,995,143
1899	547,303,840	2,078,143,933	943,387,375
1900	522,229,505	2,105,102,516	809,125,989
1901	748,460,218	1,522,519,891	736,808,724
1902	670,063,008	2,523,648,312	987,842,712
1903	659,028,000	2,307,860,000	789,589,000

Were the table extended back a few years further, it would be apparent that this year's yield of all three staples is excellent. The corn crop especially is a bounteous one, while wheat is not far behind the yield of last year. After the apprehension felt and expressed during the period of the final development of the crops, the results now assured must be viewed with considerable gratification.

The movement of the crops will call for money, and the lateness of both corn and cotton has delayed the usual outflow of money to some extent. At the same time the exports of grain and cotton will increase, and should the necessity arise gold imports may be looked for. Cotton exports in September were valued at more than $21,000,000 as against less than $2,000,000 in August, while the exports of breadstuffs in September were $2,500,000 greater than in August. Yet the value of these two classes of exports was $15 000,000 less in September this year than in the same month in 1902. An increase in later months may reasonably be expected.

Just as the month closed it was announced that $1,000,000 gold had been engaged for import. While it is probable that the Bank of England will endeavor to prevent any large movement of gold in this direction, still it would not be an unusual occurrence for gold to come into the country during November and December. These months do not compare with September and October as gold-importing months, still at times gold to a considerable amount has come in during these months. The aggregate movement of gold in each of these months during the twenty-three years, 1880 to 1902 inclusive, has been as follows:

	November.	*December.*
Imports of gold, 23 years	$112,980,010	$90,227,038
Exports of gold, 23 years	45,313,435	75,407,685
Net imports of gold, 23 years	$67,666,575	$14,819,353

In twenty three years the net imports of gold in November have not averaged $3,000,000 a year, while in December they have not averaged much over $600,000 a year. Only once in the twenty-three years did the aggregate imports in November exceed $10,000,000, and that was in 1900, when they reached $12,641,988. Twice did the imports exceed $10,000,000 in December, in 1880, when they were $16,506,026, and in 1886 when they were $11,655,807. On the other hand, we have seen $14,000,000 gold exported in November, 1895, and nearly $15,500,000 in December of the same year, also $11,800,000 in December, 1899, and $16,292,000 in November, 1901.

The domestic production of gold makes the United States in a measure independent of outside sources of supply for replenishing its circulating medium. The report of the Director of the Mint on gold production in 1902 makes the total for that year $80,000,000. This exceeds the production of any previous year and is $15,000,000 more than was produced in any year during the period of greatest production of the California mines. Ten years ago the yield of gold in the United States was only about $33,000,000. Colorado alone now turns out within $5,000,000 as much as that. The world's production of gold in 1902, as estimated by the Director of the

Mint was $295,889,600, an increase of $32,500,000 over 1901, and of $94,000,000 since 1896.

The silver output of the United States remains practically the same as it has been for a number of years past, being in 1902 55,500,000 ounces. The nominal or coining value is $71,757,575, but the commercial value is reported at only $29,415,000, the smallest in thirty years. The world's production of silver in 1902 is estimated at $215,861,800 coining value, a decrease of $10,000,000 compared with 1901.

The iron and steel trade has commanded considerable attention recently. It is feeling to some extent the effect of the labor troubles which for some time have checked building operations. Another influence which will be operative for some time to come in all probability is the reduction in the demand for steel rails. The railroads in the last few years have expended very large sums for material used in construction as well as in equipment. To some degree their requirements have been filled, while there is a disposition on the part of the railroads to curtail expenses. A reduction in the price of steel rails and in other products of iron is not an unlikely contingency.

The production of pig iron is being reduced, the capacity of the furnaces in blast on October 1 being 362,824 tons per week, as compared with 369,933 tons on September 1, and 398,189 tons on June 1. The furnace stock of pig iron on October 1 amounted to 506,848 tons, as compared with 203,403 tons on June 1.

The August reports of gross and net earnings of the railroads show a continuance of the conditions heretofore noted. While the gross earnings of 114 roads increased nearly $16,000,000, the net earnings increased $5,500,000 each, about fifteen per cent. But included in these gains are the earnings of the anthracite coal roads, which a year ago were hindered by the miners' strikes. Excluding these roads the gross earnings show a gain of $12,400,000 and the net of only $2,800,000.

The annual reports now issued by the railroads covering the fiscal year ended June 30 continue favorable and seem to assure a maintenance of the dividends now being paid, possibly some increase. In fact, the Reading Company last month declared a dividend of 1½ per cent. on the second preferred stock, the first ever declared on that stock.

There probably has been no time in the history of the railroads when a greater number of roads were paying dividends than now, while many roads are also paying larger dividends than ever before. That railroad dividends have not been as stable as investors would like to have them is very well known, yet many railroad stocks

	1878-82.	1883-87.	1888-92.	1893-97.	1898-1902.	Total 25 years.	Aver. annual rate.	Rate in 1902.
	p. c.	p. c.	p. c.	p. c.	p. c.	p. c.	p. c.	p. c.
Atchison, Topeka & Sante Fe.	23½	30¼	5¼	....	7½	66½	2.66	4
Baltimore & Ohio	41	42	3¾	9½	10	106¼	4.25	4
Central of New Jersey	....	6	22½	28¾	26	83¼	3.33	8
Chic., Bur. & Quincy	41¼	40	23¼	22¾	29½	156¾	6.27	7
Chic., Mil. & St. Paul	23½	28	4½	19	28	113	4.12	7
" " pref	38½	35	31½	35	35	175	7.00	7
Chic. & Northwestern	29	32½	30	23	29	143½	5.74	7
" " pref	35¾	37½	35	35	36¼	179½	7.18	8¼
Chic., Rock Is. & Pacific	40½	35	21½	14	24½	135½	5.42	5
Chic., St. Paul, Minn. & Omaha pref	14	30¾	23½	35	35	138¼	5.53	7
Delaware & Hudson	11½	30	34	33	29	137½	5.50	7
Del., Lack. & Western	15¾	37¾	35	35	35	158½	6.34	7
Illinois Central	32	40½	28½	25	27½	153½	6.14	6
Lake Shore	34½	19	27	30	34½	145	5.80	7
Louisville & Nashville	24	....	10½	4	17½	56	2.24	5
Michigan Central	20	12	23½	23	20	98½	3.94	4
Missouri Pacific	13¾	35	16¼	....	7½	72½	2.90	5
New York Central	40	27	22¼	22¼	23	134½	5.38	5
Pennsylvania	30	25	27½	25	28	135½	5.42	6
Union Pacific	31¼	10½	....	....	11½	53¼	2.13	4

have been very good income-earners in the past. In the following table are given the aggregate cash dividends paid by twenty railroads in each of the five-year periods during the last twenty-five years, the total and average annual rate for the whole period and the rate paid in 1902:

There has been some attention directed of late to the deposits of other banks held in the National banks of leading cities. It is known that banks have in many cases solicited the accounts of out-of town banks, usually paying interest on balances. It may be of interest to note the amount of deposits held by the National banks of the leading cities belonging to other banks and trust companies. The following table shows the amounts for twenty-three cities on June 9 last, compared with June 29, 1900, and July 14, 1896:

	July 14, 1896.	*June 29, 1900.*	*June 9, 1903.*
Boston	$45,552,510	$70,074,898	$61,494,265
New York	189,081,324	428,949,517	412,414,082
Philadelphia	24,247,625	67,554,878	93,391,403
Pittsburg	7,451,343	26,899.954	41,527,269
Baltimore	5,418 292	14,455,120	16.881,864
Cincinnati	8,570,721	19,200,533	20,339,330
Cleveland	4,273,881	16,992,826	21,015,321
Columbus	....	2,698,813	4,265,550
Indianapolis	....	7,451,927	12.290,287
Chicago	49,860,455	122,875,161	142,154,545
Detroit	5,869,401	7,439,278	8,507,767
Milwaukee	2,360,379	6,600,720	8,196,458
St. Paul	3,178,104	5,809.527	7,482,571
Minneapolis	2,448,331	6,559,569	10,231,979
Des Moines	1,578,811	4,423,897	4,078,980
St. Louis	12.845,258	36,128,313	60,031,630
Kansas City	7,973.949	24,221,956	37,046,384
St. Joseph	938,297	2,901.073	5,319,109
New Orleans	2,276,863	3,727,225	4,004,930
Louisville	3,522,945	8,436,258	10,992,547
Omaha	3,989,662	10.882,244	10,978,821
Denver	....	8,621,384	9,029,424
San Francisco	1,341,136	6,479.889	10,537,587
Total, 23 cities	$382,774,287	$909,384,455	$1,012,192,103
Other cities	71,527,667	123,592,848	166,602,165
Total United States	$454,301,954	$1,032,978,303	$1,178,801,268

Some changes made in reporting the deposits of banks and trust companies in 1900 make the comparison between 1896 and 1900 not wholly accurate. Still, the increase in those four years was very large. In the last three years there has been a further increase, but in Boston and New York there was a decrease.

The change that has taken place in the direction of more conservative financiering is apparent in the great decrease in the incorporation of large companies. The "Journal of Commerce" for some years past has kept the record of incorporations in the States of New Jersey, Maine, Pennsylvania, New York and Delaware. For

	1903.	*1902.*	*1901.*
January	$177,990,000	$146,950,000	$105,250,000
February	175,975,000	294.850,000	79,500,000
March	144,975,000	158,150,000	190,500,000
April	243,200,000	231,575,000	1,619.650,000
May	307,666,000	226,500.000	177,980,000
June	135,695,000	196,182,800	303,450,000
July	106,100,000	469,856,400	236,315,000
August	77,950,000	241,879,550	57,450,000
September	79,250,000	195,194,900	66,800,000
October	67,300,000	244,550,000	164,600,000
Total	$1,516,100,000	$2,405,688,650	$3,001,505,000

the month of October it reports incorporations each with a capital of $1,000,000 or more, having an aggregate of $67,300,000. This represents not only new promotions but also an increase in the capital stock of the Colonial Trust Company of Pennsylvania. This total is the smallest for any month in either 1903 or 1902. The comparative figures for each of the first nine months in the last three years are given in the table on the preceding page.

"What probably emphasizes," says the "Journal of Commerce," "better than anything else the point that the promotion of new companies is at a low ebb is the fact that the month's record fails to show the incorporation of a a single concern with a capital exceeding $5,000,000."

THE MONEY MARKET.—There was a large movement of money from New York to interior points late in the month, and the effect was evidenced in firmer rates for money. At the close of the month call money ruled at 4 @ 5 per cent., the average rate being 4½ per cent. Banks and trust companies loaned at 2½ per cent. as the minimum rate. Time money on Stock Exchange collateral is quoted at 5 per cent. for all periods from 60 days to 6 months on good mixed collateral. For commercial paper the rates are 5½ @ 6 per cent. for 60 to 90 days' endorsed bills receivable, 5½ @ 6 per cent. for first class 4 to 6 months' single names, and 6 @ 6½ per cent. for good paper having the same length of time to run.

MONEY RATES IN NEW YORK CITY.

	June 1.	July 1.	Aug. 1.	Sept. 1.	Oct. 3.	Nov. 1.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Call loans, bankers' balances	2 –2½	4½–10	1¾–3	1½–2	2¼–3	4 –5
Call loans, banks and trust companies	2½–	2½–	2 –	2 –	2½–	2½–
Brokers' loans on collateral, 30 to 60 days	4 –	4 –	4 –	5 –5½	5½–	5 –
Brokers' loans on collateral, 90 days to 4 months	4 –	4¾–5	4½–5	5½–	6 –	5 –
Brokers' loans on collateral, 5 to 7 months	4½–	5 – ½	5¼– ½	5½–6	6 –	5 –
Commercial paper, endorsed bills receivable, 60 to 90 days	4½– ¾	5 –	5¾–	6 –	6 –	5½–6
Commercial paper prime single names, 4 to 6 months	4¾–5¼	5 – ½	5¾–6	6 –6½	6 – 6½	5½–6
Commercial paper, good single names, 4 to 6 months	5½ 6	6 –	6 – ½	6½–7	6½– 7	6 –6½

NEW YORK CITY BANKS.—Deposits in the local banks were reduced nearly $12,000,000 since October 3, and at the close of the month were less than $886,000,000. Only once since January were the deposits as small as they are now, and that was on April 11. In February, 1901, the deposits exceeded $1,019,000,000. Compared with a year ago there is a decrease of about $8,000,000. There have been changes in the loan account but for the month there is a net decrease of only about $1,400,000, while compared with a year ago loans have increased $33,000,000. Loans now exceed deposits by about $26,000,000. The surplus reserve having reached nearly $18,000,000 fell to almost $10,000,000 in the last week of the month, the lowest point reached since last July. The surplus is less than one half of the amount reported a year ago.

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	Specie.	Legal tenders.	Deposits.	Surplus Reserve.	Circulation.	Clearings.
Oct. 3...	$912,903,100	$167,478,400	$70,762,700	$897,214,400	$13,937,500	$45,674,700	$1,327,845,721
" 10...	913,101,500	171,063,700	69,917,200	897,615,100	16,577,125	45,714,800	1,115,735,448
" 17...	908,265,500	171,870,800	68,505,300	891,771,400	17,433,250	45,723,200	1,125,459,183
" 24...	907,099,000	171,706,600	68,666,500	889,714,600	17,944,450	45,862,600	1,136,235,218
" 31...	911,508,500	164,683,800	66,994,500	885,616,600	10,274,150	45,893,900	1,113,918,497

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	1901.		1902.		1903.	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$854,189,200	$11,525,900	$910,860,800	$7,515,575	$873,115,000	$10,193,850
February......	969,917,500	24,838,825	975,997,000	26,623,350	931,778,900	27,880,775
March.........	1,012,514,000	14,801,100	1,017,488,800	9,975,925	956,206,400	5,951,900
April.........	1,004,288,200	7,870,500	965,353,300	6,965,575	894,260,000	6,280,900
May...........	970,790,500	16,759,775	968,189,600	7,484,000	905,760,200	11,181,850
June..........	952,398,200	21,253,050	948,826,400	11,929,000	918,081,800	9,645,150
July	971,382,000	8,484,200	955,829,400	12,978,350	903,719,800	12,923,850
August........	955,912,200	22,165,350	957,145,500	18,738,125	906,864,500	24,060,075
September....	968,121,900	11,919,925	935,998,500	9,742,775	920,123,900	20,677,925
October.......	936,452,300	16,296,025	876,519,100	8,236,625	897,214,400	18,937,500
November....	958,062,400	10,482,800	893,791,200	21,389,100	885,616,600	10,274,150
December.....	940,668,500	13,414,575	883,836,800	15,786,300	....	....

Deposits reached the highest amount, $1,019,474,200 on Feb. 21, 1901, loans, $950,208,700 on February 21, 1903, and the surplus reserve $111,623,000 on Feb. 3, 1894.

NON-MEMBER BANKS—NEW YORK CLEARING-HOUSE.

DATES.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
Oct. 3....	$79,274,600	$86,391,400	$3,452,200	$4,468,800	$9,405,500	$2,882,400	* $1,888,950
" 10....	79,731,400	87,910,400	3,586,300	4,953,700	9,661,900	3,182,200	* 603,500
" 17....	79,308,900	87,904,000	3,518,900	4,768,800	9,728,200	3,354,700	* 610,400
" 24....	79,060,100	85,818,400	3,509,000	4,823,700	8,769,500	2,856,900	* 1,495,500
" 31....	78,648,000	76,153,500	3,525,000	4,633,700	9,494,500	3,385,300	* 499,175

* Deficit.

BOSTON BANKS.

DATES.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
Oct. 3.......	$184,821,000	$209,776,000	$17,538,000	$5,167,000	$6,257,000	$133,885,400
" 10.......	185,856,000	210,540,000	17,938,000	5,094,000	6,257,000	126,677,500
" 17.......	187,285,000	215,414,000	17,918,000	5,474,000	6,845,000	138,400,900
" 24.......	188,096,000	212,031,000	17,856,000	5,659,000	6,417,000	127,199,600
" 31.......	188,492,000	209,776,000	17,199,000	5,691,000	6,445,000	....

PHILADELPHIA BANKS.

DATES.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
Oct. 3..................	$183,465,000	$206,857,000	$53,455,000	$11,436,000	$123,952,200
" 10..................	182,250,000	206,415,000	53,237,000	11,030,000	101,721,100
" 17..................	181,129,000	208,899,000	56,085,000	10,996,000	108,799,900
" 24..................	181,523,000	209,715,000	56,714,000	11,000,000	109,171,000
" 31..................	182,951,000	208,396,000	54,353,000	11,033,000	103,531,800

MONEY RATES ABROAD.—There was no change in the posted rates of discount of any of the European banks. Open market rates are slightly lower in London and Berlin than they were a month ago and higher in Paris. Discounts of 60 to 90 day bills in London at the close of the month were 3⅞ @ 4 per cent. against 4 per cent. a month ago. The open market rate at Paris was 2⅞ per cent. against 2¾ per cent. a month ago, and at Berlin and Frankfort 3½ @ 3⅝ per cent. against 3⅝ per cent. a month ago.

Bank of England Statement and London Markets.

	July 15, 1903.	Aug. 12, 1903.	Sept. 9, 1903.	Oct. 14, 1903.
Circulation (exc. b'k post bills)	£29,625,505	£29,594,115	£29,095,465	£28,960,640
Public deposits	6,914,657	6,555,514	7,231,981	6,388,490
Other deposits	41,449,922	41,179,961	38,770,079	43,139,126
Government securities	15,342,840	16,543,841	17,060,841	19,975,056
Other securities	25,988,711	25,508,519	23,714,428	25,501,358
Reserve of notes and coin	25,148,480	23,253,399	23,641,189	21,859,178
Coin and bullion	36,596,985	35,272,514	34,286,654	32,369,818
Reserve to liabilities	51 7/8%	49 5/8%	51 1/4%	44%
Bank rate of discount	3%	3%	4%	4%
Price of Consols (2 3/4 per cents.)	92 11/16	90 11/16	89 5/8	88 3/16
Price of silver per ounce	24 3/4d.	25 1/16d.	26 5/8d.	28 1/16d.

Foreign Exchange.—The sterling exchange market was quiet and steady until near the close of the month, when it declined sharply. The market was affected by dearer money in New York, while the free movement of cotton and grain caused the supply of commercial bills to increase. Rates for sterling are now at the lowest point reached during the year and close to the gold-importing point.

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling. 60 days.	Bankers' Sterling. Sight.	Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
Oct. 3	4.8220 @ 4.8230	4.8575 @ 4.8585	4.8630 @ 4.8645	4.81 5/8 @ 4.81 7/8	4.81 @ 4.82 1/4
" 10	4.8240 @ 4.8250	4.8560 @ 4.8570	4.8615 @ 4.8625	4.82 1/8 @ 4.82 1/4	4.81 5/8 @ 4.82 1/4
" 17	4.8240 @ 4.8250	4.8555 @ 4.8565	4.8610 @ 4.8620	4.82 1/4 @ 4.82 3/8	4.81 5/8 @ 4.82 1/4
" 24	4.8240 @ 4.8250	4.8570 @ 4.8580	4.8620 @ 4.8630	4.82 1/8 @ 4.82 1/4	4.81 5/8 @ 4.82 3/8
" 31	4.8160 @ 4.8175	4.8495 @ 4.8510	4.8550 @ 4.8560	4.81 3/8 @ 4.81 1/2	4.80 5/8 @ 4.81 7/8

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

	July 1.	Aug. 1.	Sept. 1.	Oct. 1.	Nov. 1.
Sterling Bankers—60 days	4.84 7/8—85	4.83 1/2— 5/8	4.83 1/4— 1/2	4.82 1/4— 3/8	4.81 — 1/4
" " Sight	4.87 1/4— 1/2	4.85 3/4— 7/8	4.86 — 1/4	4.86 — 1/8	4.84 3/8— 5/8
" " Cables	4.87 3/4— 7/8	4.86 1/4— 3/8	4.86 3/8— 5/8	4.86 5/8— 3/4	4.85 1/8— 3/8
" Commercial long	4.84 1/4— 3/4	4.83 1/8— 1/4	4.82 1/2— 3	4.81 7/8—2	4.80 3/8— 7/8
" Docu'tary for paym't.	4.84 — 5 1/4	4.82 1/2— 3 5/8	4.82 1/4— 3 1/2	4.81 1/4— 2 1/2	4.80 3/4— 1 3/4
Paris—Cable transfers	5.15 —	5.16 1/4—	5.16 7/8— 1/4	5.17 1/2—	5.18 1/8—17 1/2
" Bankers' 60 days	5.18 1/8—	5.19 3/8—	5.19 3/8—18 3/4	5.20 5/8— 1/16	5.21 1/4—
" Bankers' sight	5.15 5/8—	5.16 7/8—	5.16 7/8—	5.18 1/8—	5.18 3/4—18 1/8
Swiss—Bankers' sight	5.15 5/8—	5.16 7/8—	5.16 7/8—	5.18 1/8—	5.19 3/8—
Berlin—Bankers' 60 days	95 — 1/16	94 15/16—	94 7/8— 15/16	94 11/16— 13/16	94 5/16— 3/8
" Bankers' sight	95 1/2— 9/16	95 5/16— 3/8	95 7/16—	95 5/16—	94 7/8— 15/16
Belgium—Bankers' sight	5.16 1/4—	5.17 1/2—	5.18 1/8—17 1/2	5.19 3/8—	5.19 3/8—18 3/4
Amsterdam—Bankers' sight	40 5/16— 3/8	40 1/4—	40 1/4— 5/16	40 1/4—	40 1/4—
Kronors—Bankers' sight	26.89 —26.91	26.82—26.84	26.83—26.86	26.79—26.82	26.71—26.73
Italian lire—sight	5.15 5/8— 1/16	5.16 7/8 - 1/4	5.16 7/8 - 15 5/8	5.17 1/2—16 7/8	5.17 1/2—16 7/8

Silver.—The price of silver in London advanced from 27 7-16 to 28 1/2d., touching the latter price on October 19. The market subsequently became weaker and closed at 27 5/8d on October 31.

Monthly Range of Silver in London—1901, 1902, 1903.

Month.	1901. High	1901. Low.	1902. High	1902. Low.	1903. High	1903. Low.	Month.	1901. High	1901. Low.	1902. High	1902. Low.	1903. High	1903. Low.
January	29 9/16	27 7/8	26 1/16	25 3/8	22 3/8	21 11/16	July	28 3/16	27 3/4	24 9/16	24 3/16	25 3/8	24 1/4
February	28 7/16	27 7/8	25 3/8	25 5/16	22 5/16	21 7/8	August	28 7/16	27 11/16	24 7/16	24 1/8	26 3/4	25 3/16
March	28 3/16	27 5/16	25 7/16	24 15/16	22 15/16	22 1/8	Septemb'r	28 7/16	29 1/4	24 1/8	23 9/16	26 7/16	26 3/16
April	27 15/16	26 15/16	24 7/8	23 3/16	25 1/16	22 5/8	October	30 3/16	29 1/8	23 11/16	23 1/4	28 1/2	27 7/16
May	27 5/8	27 3/16	24 1/8	23 5/16	25 1/4	24 3/16	Novemb'r	29 15/16	29 7/16	23 1/4	21 3/4	....	....
June	27 5/8	27 1/4	24 7/16	23 15/16	24 9/16	24 1/8	Decemb'r	29 15/16	29 1/2	22 1/8	21 11/16	....	....

EUROPEAN BANKS.—The principal changes in gold holdings of the European banks last month were : England lost $2,000,000 ; France lost $11,000,000 ; Germany gained $18,000,000 ; Russia lost $20,000,000.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	Sept. 1, 1903.		*Oct. 1, 1903.*		*November 1, 1903.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England	£36,101,547	....	£33,809,390	....	£33,418,770	....
France	102,246,885	£44,859,588	98,912,763	£44,641,080	96,714,727	£44,180,681
Germany	36,113,000	12,688,000	31,747,000	11,154,000	35,469,000	12,862,000
Russia	81,247,000	8,776,000	81,622,000	7,684,000	77,477,000	6,799,000
Austria-Hungary	45,428,000	12,839,000	46,036,000	12,578,000	46,186,000	12,225,000
Spain	14,624,000	20,145,000	14,656,000	19,900,000	14,520,000	19,244,000
Italy	19,196,000	2,298,800	19,576,000	2,383,200	20,485,000	2,403,300
Netherlands	3,942,500	6,491,000	3,952,000	6,448,200	4,061,400	6,337,900
Nat. Belgium	2,940,667	1,470,333	2,910,667	1,453,333	3,224,667	1,612,333
Totals	£341,839,599	£109,567,721	£333,221,820	£106,423,813	£331,551,564	£106,264,214

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	*Asked.*
Sovereigns & Bk. of Eng. notes	$4.85	$4.88
Twenty francs	3.85	3.88
Twenty marks	4.74	4.77
Twenty-five pesetas	4.78	4.81
Spanish doubloons	15.55	15.65
Mexican doubloons	15.50	15.65
Mexican 20 pesos	$19.52	$19.60
Ten guilders	3.95	4.00
Mexican dollars	.45¾	.47⅛
Peruvian soles	.43	.46
Chilian pesos	.43	.46

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 27⅝d. per ounce. New York market for large commercial silver bars, 59⅞ @ 61⅛c. Fine silver (Government assay), 60 @ 61⅝c. The official price was 59¾c.

GOLD AND SILVER COINAGE.—The coinage of the United Statates mints in October aggregated $3,872,220 not including $1,425,000 pesos for the Philippines. The gold coinage was $1,540,000 ; silver $2,324,000, of which $232,000 was in standard dollars, and minor $8,220.

COINAGE OF THE UNITED STATES.

	1901.		*1902.*		*1903.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
January	$12,657,200	$2,713,000	$7,660,000	$2,908,637	$7,635,178	$1,707,000
February	9,230,300	2,242,166	6,643,850	2,489,000	7,488,510	1,521,000
March	6,182,152	3,120,580	1,558	2,965,577	6,879,920	1,595,987
April	18,958,000	2,633,000	3,480,315	3,388,278	137,400	1,809,000
May	9,325,000	3,266,000	426,000	1,873,000	69,000	1,584,000
June	5,948,030	2,836,185	500,345	2,464,853	610	3,840,222
July	4,225,000	1,312,000	2,120,000	2,254,000	....	337,327
August	6,780,000	3,141,000	8,040,000	2,236,000	450 000	452,000
September	4,100,178	3,899,524	3,560,860	2,831,165	645,692	1,807,469
October	5,750,000	2,791,489	1,890,000	2,287,000	1,540,000	2,324,000
November	6,270,000	917,000	2,675,000	2,399,000	....	....
December	12,309,338	1,966,514	6,277,925	1,932,216	....	....
Year	$101,735,187	$30,838,461	$47,109,852	$29,928,167	$24,845,692	$16,978,005

NATIONAL BANK CIRCULATION.—There was a decrease of $815,000 in amount of bank notes in circulation last month, although about $1,200,000 of bonds were deposited to secure circulation, the notes based on bonds increasing about the same amount. About $2,000,000 notes against which lawful money had been deposited were retired. Of less than $383,000,000 bonds deposited to secure circulation, $376,000,000 are 2 per cent. bonds of 1930, while $112,000,000 more of these bonds are deposited to secure public deposits.

National Bank Circulation.

	July 31, 1903.	Aug. 31, 1903.	Sept. 30, 1903.	Oct. 31, 1903.
Total amount outstanding	$417,346,487	$418,587,975	$420,426,535	$419,610,683
Circulation based on U. S. bonds	377,606,826	380,076,322	379,515,824	380,650,821
Circulation secured by lawful money	39,739,661	38,511,653	40,910,711	38,959,862
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	3,264,750	3,183,250	3,157,700	2,797,200
Five per cents. of 1894	556,150	556,150	858,650	718,650
Four per cents. of 1895	1,530,100	1,490,100	1,585,100	1,410,100
Three per cents. of 1898	2,179,380	2,153,580	2,229,180	1,797,580
Two per cents. of 1900	372,642,650	374,103,350	373,654,300	376,003,300
Total	$380,173,030	$381,486,430	$381,484,830	$382,726,830

The National banks have also on deposit the following bonds to secure public deposits; 4 per cents. of 1907, $4,755,000; 5 per cents. of 1894, $2,132,300; 4 per cents. of 1895, $11,718,050; 3 per cents. of 1898, $7,556,620; 2 per cents. of 1900, $112,451,800; District of Columbia 3.65's, 1924, $1,694,000; State and city bonds, $22,191,923; Philippine Island certificates, $5,800,000, a total of $168,299,693.

United States Public Debt.—The principal features of the public debt statement for October are the changes in the bonded debt and the increase in the net debt as the result of the deficit in the month's revenues. More than $7,000,000 of the 5 per cents of 1904 were retired during the month, while nearly $7,300,000 of 2 per cent. bonds were issued in exchange for $2,800,000 3 per cent. and $3,500,000 4 per cent. bonds. Nearly 60 per cent. of the total bonded debt now consists of the new 2 per cent. issue. There was an increase in outstanding certificates of $17,000,000, a decrease in the cash balance of nearly $11,000,000, and an increase in the net debt of $2,650,000.

United States Public Debt.

	Jan. 1, 1903.	Sept. 1, 1903.	Oct. 1, 1903.	Nov. 1, 1903.
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent	$445,940,750	$527,083,350	$528,723,050	$535,020,750
Funded loan of 1907, 4 "	233,178,650	168,079,600	167,026,800	163,507,000
Refunding certificates, 4 per cent	31,230	30,540	30,530	30,100
Loan of 1904, 5 per cent	19,385,050	19,385,050	17,383,100	10,120,350
" 1925, 4 "	118,489,900	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent	97,515,660	81,472,960	80,886,060	78,106,960
Total interest-bearing debt	$914,541,240	$914,541,400	$912,539,440	$905,277,060
Debt on which interest has ceased	1,255,710	1,204,070	1,197,050	1,196,930
Debt bearing no interest:				
Legal tender and old demand notes	346,734,863	346,734,863	346,734,863	346,734,863
National bank note redemption acct.	42,169,652	38,023,496	39,827,135	38,959,609
Fractional currency	6,872,594	6,871,240	6,871,240	6,871,240
Total non-interest bearing debt	$395,774,109	$391,629,597	$393,433,239	$392,565,913
Total interest and non-interest debt.	1,311,574,059	1,307,375,068	1,307,169,729	1,299,039,903
Certificates and notes offset by cash in the Treasury:				
Gold certificates	383,564,069	416,385,869	420,487,869	433,198,869
Silver "	468,957,000	462,384,000	464,715,000	469,771,000
Treasury notes of 1890	24,053,000	17,970,000	17,498,000	16,874,000
Total certificates and notes	$876,574,069	$896,739,869	$902,700,869	$919,843,869
Aggregate debt	2,188,148,128	2,204,114,936	2,209,870,598	2,218,883,772
Cash in the Treasury:				
Total cash assets	1,331,081,200	1,374,539,898	1,387,221,829	1,391,066,907
Demand liabilities	966,671,820	991,089,187	997,804,645	1,012,429,504
Balance	$364,409,380	$383,450,711	$389,417,184	$378,637,402
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	214,409,380	233,450,711	239,417,184	228,637,402
Total	$364,409,380	$383,450,711	$389,417,184	$378,637,402
Total debt, less cash in the Treasury.	947,164,679	923,924,357	917,752,545	920,402,501

GOVERNMENT REVENUES AND DISBURSEMENTS.—The Treasury disbursements in October aggregated nearly $52,000,000, an increase of $13,000,000 over those of the previous month, and of $5,000,000 as compared with October, 1902. The receipts were about $47,000,000, a decrease of $4,000,000 from those of the previous year. The net result is a deficit of nearly $5,000,000, leaving a surplus of only $669,000 for the four months of the fiscal year as compared with a surplus of $13,500,000 for the corresponding four months of last year. Customs receipts since July 1 have decreased $9,000,000 as compared with last year.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.			EXPENDITURES.		
Source.	*October, 1903.*	*Since July 1, 1903.*	*Source.*	*October, 1903.*	*Since July 1, 1903.*
Customs............	$22,859,962	$94,763,259	Civil and mis........	$14,923,027	$48,309,854
Internal revenue...	20,813,852	81,261,310	War..................	13,077,060	48,004,775
Miscellaneous.......	3,289,399	14,372,716	Navy................	8,811,567	32,290,891
			Indians..............	776,461	3,651,845
			Pensions............	10,157,148	47,828,298
Total............	$46,963,218	$190,397,285	Interest.............	4,165,215	9,642,354
	* 4,947,265	669,268	Total...........	$51,910,478	$189,728,017

* Excess of disbursements.

UNITED STATES FOREIGN TRADE.—The exports of merchandise in September were valued at more than $110,000.000 an increase over those in August of nearly $21,000,000. More than $19,000.000 of this is accounted for in the increased exports of cotton, while breadstuffs show a gain of $2,500,000. Compared with September, 1902, the exports this year show a decrease of nearly $11,000,000. Here again cotton and breadstuffs account for the entire difference and more beside. Exports of cotton are nearly $9,000,000 less than they were last year, and breadstuffs $6,000,000 less. Imports of merchandise in September were nearly as large as in August but about $6,000,000 less than in September, 1902. The balance of net exports for the month was $28,000,000 or about $5,000,000 less than in 1902. For the nine months ended September 30 the exports were $989,000,000, an increase over 1902 of $46,000,000, the imports nearly $759,000,000, an increase of $57,000,000, and the net exports $230,000,000 a decrease of $11,000,000.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF SEPTEMBER.	MERCHANDISE.			*Gold Balance.*	*Silver Balance.*
	Exports.	*Imports.*	*Balance.*		
1898..................	$90,645,937	$48,456.387	Exp., $42,189,550	Imp., $13,705,531	Exp., $3,151,407
1899..................	109,886,677	70,711,965	" 39,174,712	" 1,974,899	" 1,245,195
1900..................	115,901,722	59,568,600	" 56,333,122	" 7,045,981	" 1,551,773
1901..................	106,989.926	66,826,813	" 40,163,113	" 11,742,069	" 2,639,456
1902..................	121,232,384	87,736,346	" 33,496,038	" 4,451,101	" 2,236,396
1903..................	110,332,325	81,947,146	" 28,385,179	" 4,186,782	" 680,776
NINE MONTHS.					
1898..................	869,278,144	475,378,955	Exp., 393,899,189	Imp., 114,561,893	Exp., 18,334,276
1899..................	902.477,500	585,902.398	" 316,575,102	" 1,390,585	" 16,014,336
1900..................	1,031,964,238	624,467,433	" 407,496,805	Exp., 12,615,871	" 17,231,461
1901..................	1,046,319,267	646,477,569	" 399,841,698	" 2,719,473	" 18.996,785
1902..................	943,161,484	702,149,643	" 241,011,841	" 6,089,827	" 16,876,695
1903..................	989,264,199	758,930,379	" 230,333,820	" 9,896,179	" 8,307,166

MONEY IN CIRCULATION IN THE UNITED STATES.—There was a very large expansion of the money in circulation last month, an increase of nearly $23,000,000 being reported. Of this $19,000,000 came from the United States Treasury. The principal increases were gold certificates $8,000,000, silver certificates $4,000,000, United States notes $4,000,000 and National bank notes $4,000,000.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1903.	Sept. 1, 1903.	Oct. 1, 1903.	Nov. 1, 1903.
Gold coin	$629,680,632	$620,375,159	$622,550,914	$621,758,297
Silver dollars	78,310,834	72,959,012	75,959,483	78,916,739
Subsidiary silver	94,350,669	92,870,952	94,867,102	96,235,458
Gold certificates	346,418,819	394,155,919	394,097,659	401,646,299
Silver certificates	463,570,632	455,928,884	458,522,216	462,363,089
Treasury notes, Act July 14, 1890	23,920,426	17,850,254	17,835,208	16,780,175
United States notes	343,770,858	335,377,568	336,878,769	340,961,348
National bank notes	368,678,531	399,384,930	404,905,698	408,738,518
Total	$2,348,700,901	$2,388,902,178	$2,404,617,069	$2,427,394,868
Population of United States	79,799,000	80,717,000	80,831,000	80,946,000
Circulation per capita	$29.43	$29.60	$29.75	$29.99

MONEY IN THE UNITED STATES TREASURY.—The gross amount of money in the United States Treasury was reduced $8,000,000, while the certificates issued against cash in the Treasury were increased nearly $11,000,000, making the reduction in the net cash about $19,000,000. The Treasury lost about $2,000,000 gold, $8,000,000 silver dollars, $5,000,000 United States notes and $5,000,000 National bank notes.

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1903.	Sept. 1, 1903.	Oct 1, 1903.	Nov. 1, 1903.
Gold coin and bullion	$617,196,083	$647,358,790	$654,811,717	$660,538,606
Silver dollars	470,783,167	485,262,934	482,442,538	479,876,005
Silver bullion	23,057,667	15,601,548	14,982,959	13,616,046
Subsidiary silver	6,419,206	8,996,276	7,958,266	7,851,871
United States notes	2,910,158	11,303,448	10,303,247	5,719,673
National bank notes	16,251,253	19,203,045	15,520,837	10,872,165
Total	$1,136,617,534	$1,187,726,041	$1,186,018,564	$1,177,974,366
Certificates and Treasury notes, 1890, outstanding	833,909,877	867,934,557	869,955,083	880,789,513
Net cash in Treasury	$302,707,657	$319,791,484	$316,063,481	$297,184,853

SUPPLY OF MONEY IN THE UNITED STATES.—The stock of money in the country was increased nearly $4,000,000 in October. Gold increased about $5,000,000 and fractional silver $1,000,000, while silver bullion and National bank notes account for a decrease of about $2,000,000.

SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1903.	Sept. 1, 1903.	Oct. 1, 1903.	Nov. 1, 1903.
Gold coin and bullion	$1,246,876,715	$1,267,733,949	$1,277,362,651	$1,282,291,903
Silver dollars	549,093,501	558,221,946	558,402,021	558,292,744
Silver bullion	23,057,667	15,601,548	14,982,959	13,616,046
Subsidiary silver	100,769,875	101,867,228	102,825,368	104,087,329
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	384,929,784	418,587,975	420,426,535	419,610,683
Total	$2,651,408,558	$2,708,693,662	$2,720,680,550	$2,724,579,721

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of October, and the highest and lowest during the year 1903, by dates, and also, for comparison, the range of prices in 1902:

	YEAR 1902.		HIGHEST AND LOWEST IN 1903.		OCTOBER, 1903.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	95⅝	74¼	89⅞—Jan. 10	54 —Aug. 10	68	61	67
• preferred	106⅛	95½	103⅛—Jan. 10	84⅝—Aug. 10	90¾	86¾	90
Baltimore & Ohio	118⅛	95⅝	104 —Jan. 9	71⅝—Sept. 28	76⅛	72	74⅞
Baltimore & Ohio, pref	99	92	96¾—Feb. 11	82¾—July 25	88¼	86¾	88
Brooklyn Rapid Transit	72⅝	54¾	71⅛—Feb. 17	29½—Sept. 28	36	30	35¼
Canadian Pacific	145¼	112¼	138¾—Feb. 10	115⅝—Oct. 14	121⅞	115⅝	118⅜
Canada Southern	97	71	78½—Jan. 5	57½—Sept. 24	65⅛	59¾	64
Central of New Jersey	198	165	190 —Jan. 19	153 —Oct. 17	159½	153	159½
Ches. & Ohio vtg. ctfs	57⅛	45⅝	53⅝—Feb. 10	27½—Aug. 6	31⅛	28⅛	29¾
Chicago & Alton	45⅜	29½	37¼—Jan. 5	18½—Sept. 28	28⅝	20½	28
• preferred	79	68	73⅛—Jan. 7	60 —Sept. 29	65⅝	60	65
Chicago, Great Western	35	22	29⅝—Jan. 9	13 —Aug. 6	16	14¼	15
Chic., Milwaukee & St. Paul	198¾	160½	183¼—Jan. 7	133¼—Aug. 8	141	134⅝	138⅞
• preferred	200¾	186	194¼—Jan. 9	168 —Aug. 10	174	170½	172
Chicago & Northwestern	271	204⅛	224½—Jan. 14	153 —Sept. 28	168½	153	166
• preferred	274½	230	250 —Jan. 7	190 —Aug. 8	208¾	193¼	208¾
Chic., St. Paul, Minn. & Om	170½	140	162 —Jan. 19	117 —July 14	124	120	124
• preferred	210	194⅞	194 —Jan. 5	190 —May 10	....	....	...
Chicago Terminal Transfer	24⅞	15	19⅞—Jan. 9	8 —Sept. 29	10	8	9⅜
• preferred	44	29	36 —Jan. 8	15 —Sept. 24	19¼	16	19¼
Clev., Cin., Chic. & St. Louis	108⅜	93	99⅝ Jan. 6	66 —Aug. 10	74¾	69⅝	73¾
Col. Fuel & Iron Co	110½	73¾	82½—Jan. 6	25 —Oct. 13	41	25	32¼
Colorado Southern	35¾	14⅛	31⅜—Jan. 7	10 —July 24	13⅞	11¼	13⅝
• 1st preferred	79½	59¼	72 —Jan. 9	44½—Aug. 8	56¼	47½	55
• 2d preferred	53⅞	28	48 —Jan. 8	17 —Aug. 5	23⅛	18½	23
Consolidated Gas Co	230¾	205	222 —Jan. 7	164 —Aug. 10	177¾	169½	175
Delaware & Hud. Canal Co	184½	153⅛	183½—Feb. 2	149 —Aug. 10	158	149	155
Delaware, Lack. & Western	297	231	276½—Jan. 8	230 —July 24	239¾	230	239¾
Denver & Rio Grande	51¾	35⅛	43 —Feb. 9	18 —Oct. 12	21¼	18	19
• preferred	96¾	86½	90½—Feb. 9	64 —Oct. 12	71	64	69
Erie	44⅝	28⅝	42⅝—Jan. 9	23 —Aug. 8	29	25⅜	27⅛
• 1st pref	75¾	60½	74 —Feb. 5	62½—Apr. 13	67⅜	64⅛	66½
• 2d pref	63¾	41½	64⅞—Feb. 5	44 —July 24	50½	45	49
Evansville & Terre Haute	74⅜	50	72½—Jan. 8	39½—July 27	65	44	62
Express Adams	240	198	235 —Feb. 11	214 —Mar. 10	224	221	221
• American	265	210	235 —Feb. 5	171 —Aug. 10	190	180	190
• United States	160	97	150¼—Feb. 4	95 —Aug. 8	105¼	100	105
• Wells, Fargo	251	185	249½—Feb. 6	191 —July 14	203	200	203
Great Northern, preferred	203	181½	209 —Jan. 22	160 —Oct. 12	165	160	165
Hocking Valley	106	66	106½—Feb. 20	63 —Sept. 25	72¼	66⅛	72¼
• preferred	98⅜	81⅛	99¼—Mar. 2	77 —Oct. 19	82¾	77	82½
Illinois Central	173½	137	151 —Jan. 10	125⅛—July 15	132¾	127½	130½
Iowa Central	51¾	37½	48 —Jan. 12	16 —July 27	20⅞	18	20½
• preferred	90⅝	65	77⅝—Jan. 12	30½—Oct. 12	36⅛	30½	35
Kansas City Southern	39	19	36¼—Jan. 12	16½—Oct. 8	19¼	16½	18¼
• preferred	63¾	44	61¼—Jan. 22	29 —Oct. 8	35⅞	29	31¾
Kans. City Ft. S. & Mem. pref	88	75	82¾—Feb. 26	62¼—Oct. 12	67½	62¼	64½
Lake Erie & Western	71½	40	53 —Jan. 8	24 —Oct. 15	25½	24	25½
• preferred	138	120	118 —Feb. 6	90 —Oct. 13	90¼	90	90
Long Island	91⅞	72⅛	83 —Jan. 7	55 —Oct. 8	58½	55	55
Louisville & Nashville	159½	102⅛	130½—Jan. 8	95 —Sept. 28	102⅜	95½	101
Manhattan consol	158	128	155½—Jan. 14	126¼—Sept. 28	136	128⅜	135¼
Metropolitan Street	174	135	142⅞ Jan. 6	99⅞—Sept. 29	111½	101½	109¾
Mexican Central	31⅛	20⅝	29 —Mar. 23	9½—Oct. 23	11½	9½	9¾
Minneapolis & St. Louis	115	105	110 —Jan. 9	41 —Oct. 12	53	41	47½
• preferred	127¾	118½	118 —Feb. 27	85 —Aug. 5	88	85	88
Missouri, Kan. & Tex	35¾	22½	30½—Jan. 5	15½—Oct. 19	18⅝	15½	17½
• preferred	69¾	51	63½—Feb. 10	33 —Oct. 12	36¾	33	35½
Missouri Pacific	125½	96¾	115⅞—Feb. 10	85¾—Aug. 10	92¾	86¾	91¼
N. Y. Cent. & Hudson River	168⅞	147	156 —Jan. 10	112⅝—July 15	120¼	113⅛	119
N. Y., Chicago & St. Louis	57⅝	40	45 —Jan. 7	19½—Sept. 28	25	20	25
• 2d preferred	100	80	87 —Jan. 19	50 —Sept. 28	63	51	60
N. Y., Ontario & Western	37⅝	25¼	35¼—Feb. 5	19 —Sept. 28	21⅞	19½	20⅝

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1902.		Highest and Lowest in 1903.		October, 1903.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Norfolk & Western	78½	55	76¼—Feb. 10	54⅜—Oct. 15	59	54⅜	56⅞
" preferred	98	90	93½—Feb. 2	85 —Aug. 10	89¼	87½	88
North American Co	134	88	124½—Jan. 7	68 —Sept. 28	76⅝	70	76⅝
Pacific Mail	49⅜	37	42¾—Jan. 7	17 —Aug. 6	22	18½	21½
Pennsylvania R. R	170	147	157⅝—Jan. 10	115⅛—Sept. 28	120⅞	115¾	120¼
People's Gas & Coke of Chic.	109½	98¼	108⅝—Feb. 10	87¾—Sept. 28	95⅞	89	94
Pullman Palace Car Co	250	215	235¾—Jan. 14	196 —July 15	217½	209	216
Reading	78½	52¼	69¼—Jan. 2	41⅝—June 10	48⅝	43½	45⅛
" 1st prefered	90¼	79⅞	89⅞—Feb. 5	73 —Sept. 28	77¾	74½	77¾
" 2d preferred	80⅞	60	81 —Jan. 6	60 —June 10	64	60	60
Rock Island	50⅛	32½	53⅝—Jan. 9	19½—Aug. 6	26⅜	23	24⅞
" preferred	85½	71	86 —Jan. 9	55¾—Sept. 28	61¾	57	59⅝
St. Louis & San Francisco	85½	53¾	90½—Feb. 24	56 —July 25	60	60	60
" 1st preferred	90	77	88 —Feb. 20	68 —Aug. 13	....	....	....
" 2d preferred	80⅜	65½	78 —Feb. 24	42½—Sept. 29	48	43⅞	46
St. Louis & Southwestern	39	24½	30 —Jan. 7	12 —Aug. 6	15	12½	13½
" preferred	80	55¼	66 —Jan. 7	24 —Aug. 10	33	29	32¼
Southern Pacific Co	81¼	56	68¼—Mar. 19	38⅝—Sept. 28	43⅝	38¾	42¼
Southern Railway	41⅛	28	36⅞—Jan. 9	16½—Oct. 12	19¾	16½	18
" preferred	98½	89¾	96 —Feb. 9	69½—Oct. 12	78¼	69½	74¾
Tennessee Coal & Iron Co	74⅝	49½	68¾—Mar. 21	26¼—Oct. 15	34½	26¼	28¾
Texas & Pacific	54¾	37	43⅝—Feb. 10	20¼—Aug. 10	24½	21½	23⅜
Toledo, St. Louis & Western	33¼	18½	31⅞—Jan. 9	15 —Sept. 21	18	16¼	17¼
" preferred	49¾	35	48 —Jan. 8	24 —Sept. 29	27½	24	24½
Union Pacific	113¼	93½	104⅝—Jan. 9	65½—Aug. 8	73⅜	67¾	71¾
" preferred	95	86⅝	95¼—Feb. 11	83½—Aug. 10	86	83⅞	86
Wabash R. R	38¾	21¾	32¾—Feb. 27	16⅝—Oct. 12	20⅞	16⅝	19⅝
" preferred	54½	37	55¼—Feb. 24	27½—Sept. 28	34	28⅜	33½
Western Union	97½	84¾	93 —Jan. 14	80¼—Sept. 28	83¼	80½	82¾
Wheeling & Lake Erie	30¼	17	27½—Feb. 9	12 —July 24	15⅞	13½	15¾
" second preferred	42⅜	28	38½—Feb. 10	20 —Sept. 26	25	20½	23
Wisconsin Central	31	19⅛	29¼—Feb. 9	14½—Oct. 14	17	14½	16¼
" preferred	57⅞	39½	55½—Feb. 6	34 —Sept. 28	36½	34	35¾
"Industrial"							
Amalgamated Copper	79	53	75⅝—Mar. 12	33⅝—Oct. 15	42⅜	33⅝	38⅞
American Car & Foundry	37⅝	28¼	41¾—Jan. 19	17¾—Oct. 15	26½	17¾	19⅝
" pref	93⅜	85¼	93 —Jan. 6	61¼—Oct. 14	78	61¼	66
American Co. Oil Co	57¾	30½	46¼—Feb. 20	25¼—Aug. 6	30½	27⅞	30½
American Ice	31⅞	9½	11⅞—Jan. 31	4 —Oct. 8	6¼	4	6¼
American Locomotive	36⅞	23½	31⅝—Feb. 17	10½—Oct. 15	16	10½	13
" preferred	100¼	89	95¾—Feb. 17	67½—Oct. 15	83	67½	76½
Am. Smelting & Refining Co.	49⅝	36⅞	52⅞—Feb. 17	36¾—Oct. 16	44½	36¾	43⅞
" preferred	100⅛	87½	99½—Feb. 16	80¼—Oct. 15	89½	80¼	87⅝
American Sugar Ref. Co	135⅛	113	134⅜—Jan. 8	107⅛—Oct. 12	116¾	107⅛	115½
Anaconda Copper Mining	146	80	125½—Feb. 25	58 —Oct. 23	72	58	65
Continental Tobacco Co. pref.	126½	114	119 —Jan. 2	94¾—Aug. 6	103	98	102
Corn Products	38⅜	27	35 —Mar. 23	22 —Oct. 12	26¾	22	25
" preferred	90	79⅝	85⅛—Jan. 19	73 —Oct. 13	76	73	75½
Distillers securities	33	27	34¾—Jan. 6	20 —July 24	24¾	20½	23¼
General Electric Co	334	170	204 —Feb. 16	136 —Sept. 28	153¼	139	148½
International Paper Co	23⅝	16½	19⅞—Jan. 5	9 —July 28	12¼	10⅜	11
" preferred	77⅛	70	74¼—Feb. 6	60 —Oct. 12	64	60	61½
International Power	199	49	73 —Jan. 19	28 —Oct. 30	31	28	28
National Biscuit	53¼	40	47⅝—Feb. 17	32 —Oct. 15	37½	32	35¾
National Lead Co	32	15⅝	29½—Feb. 5	11½—Oct. 15	14	11½	12⅛
Pressed Steel Car Co	63½	39	65¾—Jan. 26	26⅞—Oct. 31	35¼	26⅞	26⅞
" preferred	96½	82¾	95 —Feb. 20	67 —Oct. 15	77	67	69½
Republic Iron & Steel Co	24¾	15⅝	22⅝—Feb. 18	7½—Oct. 23	10	7½	7⅜
" preferred	83⅜	68	80⅝—Feb. 18	50½—Oct. 30	63	50½	51½
Rubber Goods Mfg. Co	25⅝	17¼	30 —Feb. 16	12 —July 25	15½	13⅜	14¾
" preferred	74	68	84½—Feb. 17	60 —July 25	70	67⅞	68
U. S. Leather Co	15¼	10½	15¼—Feb. 11	6 —Sept. 28	8¼	6⅝	7⅞
" preferred	91¼	79⅞	96¾—May 12	71½—Oct. 15	78½	71½	76¾
U. S. Realty & Con	32	20	28½—Jan. 2	5 —Oct. 29	7	5	5
U. S. Rubber Co	19⅝	14	19⅛—Feb. 10	7 —July 27	10½	7¾	9⅛
" preferred	64	49½	58 —Feb. 10	30¼—July 27	37½	35	36½
U. S. Steel	46¾	29¾	39⅞—Feb. 5	12½—Oct. 12	18⅛	12½	18⅜
" pref	97¾	79	89¾—Jan. 7	57¼—Oct. 13	66	57¼	58⅞

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

LAST SALE, PRICE AND DATE AND HIGHEST AND LOWEST PRICES AND TOTAL SALES FOR THE MONTH.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	OCTOBER SALES. *High.*	OCTOBER SALES. *Low.*	OCTOBER SALES. *Total.*
Ann Arbor 1st g 4's	1995	7,000,000	Q J	92¾	Oct. 27,'03	92¾	91	47,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	138,155,000	A & O	100⅛	Oct. 31,'03	100¼	97½	1,019,500
• registered		....	A & O	99	Oct. 21,'03	99	97	11,000
• adjustment, g. 4's	1995	25,616,000	NOV	91¼	Oct. 30,'03	92	89½	139,500
• registered		....	NOV	75	July 25,'03	....	....	....
• stamped	1995	26,112,000	M & N	89	Oct. 28,'03	89	86½	211,500
• serial debenture 4's—								
• series B	1904	2,500,000	F & A	....		....	....	....
• registered		....	F & A	....		....	....	....
• series C	1905	2,500,000	F & A	....		....	....	....
• registered		....	F & A	....		....	....	....
• series D	1906	2,500,000	F & A	....		....	....	....
• registered		....	F & A	....		....	....	....
• series E	1907	2,500,000	F & A	....		....	....	....
• registered		....	F & A	....		....	....	....
• series F	1908	2,500,000	F & A	....		....	....	....
• registered		....	F & A	....		....	....	....
• series G	1909	2,500,000	F & A	....		....	....	....
• registered		....	F & A	....		....	....	....
• series H	1910	2,500,000	F & A	....		....	....	....
• registered		....	F & A	....		....	....	....
• series I	1911	2,500,000	F & A	....		....	....	....
• registered		....	F & A	....		....	....	....
• series J	1912	2,500,000	F & A	....		....	....	....
• registered		....	F & A	....		....	....	....
• series K	1913	2,500,000	F & A	....		....	....	....
• registered		....	F & A	....		....	....	....
• series L	1914	2,500,000	F & A	92⅞	Nov. 10,'02	....	....	....
• registered		....	F & A	....		....	....	....
• East. Okla. div. 1st g. 4's	1928	5,645,000	M & S	....		....	....	....
• • registered		....	M & S	....		....	....	....
• Chic. & St. L. 1st 6's	1915	1,500,000	M & S	....		....	....	....
Atl. Knox. & Nor. Ry. 1st g. 5s	1946	1,000,000	J & D	114½	Oct. 8,'02	....	....	....
Atlan. Coast Line R. R. Co. 1st g. 4's	1952	30,981,000	M & S	91¼	Oct. 30,'03	91¼	90	389,000
• registered			M & S	....		....	....	....
Charleston & Savannah 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
Savanh Florida & W'n 1st g. 6's	1934	4,056,000	A & O	128	Oct. 28,'02	....	....	....
• 1st g. 5's	1934	2,444,000	A & O	112	Mar. 17,'99	....	....	....
• St. John's div. 1st g. 4's	1934	1,350,000	J & J	95¼	Nov. 30,'01	....	....	....
Alabama Midland 1st gtd g. 5's	1928	2,800,000	M & N	111	Apr. 20,'03	....	....	....
Brunswick & W'n 1st gtd. g. 4's	1938	3,000,000	J & J	87	Aug. 22,'01	....	....	....
Sil. Sps Oc. & G. RR. & ld g. gtd g. 4s	1918	1,067,000	J & J	91⅛	Oct. 30,'03	91⅛	91⅛	1,000
Balt. & Ohio prior lien g. 3½s	1925	69,798,000	J & J	95⅛	Oct. 31,'03	97	92½	399,500
• registered			J & J	94⅛	Jan. 12,'03	....	....	....
• g. 4s	1948	65,963,000	A & O	100⅛	Oct. 31,'03	102	99¼	925,000
• g. 4s. registered			A & O	99¾	Oct. 7,'03	99¾	99¾	5,000
• ten year c. deb. g. 4's	1911	592,000	M & S	97	Oct. 15,'03	97	97	14,000
Pitt Jun. & M. div. 1st g. 3½s.	1925	11,293,000	M & N	88	Aug. 31,'03	....	....	....
• registered			Q Feb	....		....	....	....
Pitt L. E. & West Va. System refunding g 4s	1941	20,000,000	M & N	96½	Oct. 30,'03	96½	94½	120,000
• Southw'n div. 1st g. 3½s.	1925	41,990,000	J & J	89	Oct. 31,'03	90¾	87½	331,000
• registered			Q J	90¼	July 16,'01	....	....	....
Monongahela River 1st g. g., 5's	1919	700,000	F & A	114¼	June 27,'02	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s,	1930	1,018,000	M & S	109¾	Oct. 28,'03	109¾	109¾	12,000
Pittsbg Cleve. & Toledo, 1st g. 6's	1922	515,000	A & O	107½	Oct. 26,'93	....	....	....
Pittsburg & Western, 1st g. 4's	1917	1,389,000	J & J	98	Aug. 1,'03	....	....	....
• J. P. Morgan & Co. cer.		1,921,000	......	100¼	Feb. 13,'03	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,427,000	M & S	113½	Oct. 29,'03	113½	113	9,000
Alleghany & Wn. 1st g. gtd 4's	1998	2,000,000	A & O	....		....	....	....
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	124¼	June 22,'03	....	....	....
• cons. 1st 6's,	1922	3,920,000	J & D	125⅜	Jan. 24,'03	....	....	....
Buff. & Susq. 1st refundg g. 4's	1951	8,309,000	J & J	103	June 16,'02	....	....	....
• registered			J & J	....		....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	October Sales. High.	October Sales. Low.	October Sales. Total.
Burlington, Cedar R. & N. 1st 5's	1906	6,500,000	J & D	103¼	Oct. 28,'03	103¼	102⅛	29,000
" con. 1st & col. tst 5's	1934	11,000,000	A & O	120¼	May 8,'03	....	....	....
" registered	....		A & O	120½	Mar. 16,'03	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's	1921	1,905,000	A & O	118	Jan. 27,'02	....	....	....
Minneap's & St. Louis 1st 7's, g	1927	150,000	J & D	40	Aug. 21,'95	....	....	....
Canada Southern 1st int. gtd 5's	1908	14,000,000	J & J	104	Oct. 28,'03	104	103	56,000
" 2d mortg. 5's	1913	6,000,000	M & S	105⅛	Oct. 21,'03	106	105	8,000
" registered	....		M & S	107	Aug. 14,'03	....	....	....
Central Branch U. Pac. 1st g. 4's	1948	2,500,000	J & D	92	June 4,'03	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's	1937	4,880,000	M & N	104⅛	July 7,'03	....	....	....
Central R'y of Georgia, 1st g. 5's	1945	7,000,000	F & A	122⅛	Jan. 5,'03	....	....	....
" registered $1,000 & $5,000			F & A	....		....	....	....
" con. g. 5's	1945	16,700,600	M & N	106⅛	Oct. 30,'03	107	104⅛	134,000
" con. g. 5's, reg. $1,000 & $5,000			M & N	105½	Sept. 18,'01	....	....	....
" 1st. pref. inc. g. 5's	1945	4,000,000	OCT 1	65	Oct. 29,'03	68	65	57,000
" 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	27	Oct. 31,'03	27⅛	25	48,000
" 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	18	Oct. 31,'03	18⅛	18	31,000
" Chat. div. pur. my. g. 4's	1951	1,840,000	J & D	92	Aug. 21,'02	....	....	....
" Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	108¼	Sept. 3,'02	....	....	....
" Mid. Ga. & Atl. div. g 5s	1947	413,000	J & J	102	June 29,'99	....	....	....
" Mobile div. 1st g. 5's	1946	1,000,000	J & J	103	July 2,'03	....	....	....
Central of New Jersey, gen. g. 5's	1987	45,091,000	J & J	131	Oct. 28,'03	131	128¼	119,000
" registered	....		Q J	129	Oct. 30,'03	129	126	52,000
Am. Dock & Improvm't Co. 5's	1921	4,987,000	J & J	109	Aug. 19,'03	....	....	....
Lehigh & H. R. gen. gtd g. 5's	1920	1,062,000	J & J	....		....	....	....
Lehigh & W.-B. Coal con. 5's	1912	2,691,000	Q M	100⅛	Aug. 7,'03	....	....	....
" con. extended gtd. 4½'s	1910	12,175,000	Q M	101	Oct. 29,'03	101⅛	100⅛	11,000
N.Y. & Long Branch gen. g. 4's	1941	1,500,000	M & S	....		....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	110⅛	July 22,'03	....	....	....
" Mortgage gold 6's	1911	2,000,000	A & O	110⅛	Aug. 14,'03	....	....	....
" 1st con. g. 5's	1939	25,858,000	M & N	116¾	Oct. 31,'03	117	115⅛	208,000
" registered	....		M & N	112⅞	Oct. 28,'03	112⅞	112⅞	5,000
" Gen. m. g. 4½'s	1992	36,078,000	M & S	101⅛	Oct. 31,'03	102	101¼	536,000
" registered	....		M & S	103	Apr. 18,'01	....	....	....
" Craig Val. 1st g. 5's	1940	650,000	J & J	112	May 14,'03	....	....	....
" (R. & A. d.) 1st c. g. 4's	1989	6,000,000	J & J	98⅛	Oct. 6,'03	98⅛	98⅛	1,000
" 2d con. g. 4's	1989	1,000,000	J & J	92	Oct. 16,'03	92	92	1,000
" Warm S. Val. 1st g. 5's	1941	400,000	M & S	106⅛	Oct. 29,'02	....	....	....
Greenbrier Ry. 1st gtd. 4's	1940	2,000,000	M & N	....		....	....	....
Chic. & Alton R. R. ref. g. 3's	1949	29,696,000	A & O	82⅝	Oct. 30,'03	83	79¾	95,000
" " registered	.....		A & O	....		....	....	....
Chic. & Alton Ry 1st lien g. 3½'s	1950	22,000,000	J & J	74	Oct. 30,'03	75	71¼	304,000
" registered	....		J & J	83¾	Apr. 16,'02	....	....	....
Chicago, Burl. & Quincy:								
" Chic. & Iowa div. 5's	1905	2,320,000	F & A	104¾	Apr. 11,'19	....	....	....
" Denver div. 4's	1922	5,030,000	F & A	98⅞	Oct. 15,'03	98⅞	98⅞	2,000
" Illinois div. 3½s	1949	41,000,000	J & J	95¼	Oct. 30,'03	95¼	91⅛	229,000
" registered	....		J & J	....		....	....	....
" (Iowa div.) sink. f'd 5's	1919	2,505,000	A & O	109⅛	Aug. 24,'03	....	....	....
" 4's	1919	8,222,000	A & O	101	Aug. 17,'03	....	....	....
" Nebraska extensi'n 4's	1927	25,627,000	M & N	106¾	Oct. 26,'03	106¾	105⅝	23,000
" registered	....		M & N	112¾	Apr. 17,'01	....	....	....
" Southwestern div. 4's	1921	2,650,000	M & S	100	July 20,'03	....	....	....
" 4's joint bonds	1921	215,195,000	J & J	94⅛	Oct. 31,'03	94⅝	90¼	1,278,000
" " registered	...		Q JAN	92⅛	Oct. 29,'03	92⅞	91	41,000
" 5's, debentures	1913	9,000,000	M & N	108	Oct. 30,'03	108	105¾	12,000
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	114	Oct. 8,'03	114	114	8,000
Chicago & E. Ill. 1st s. f'd c'y. 6's	1907	2,989,000	J & D	106⅝	Oct. 1,'03	106⅝	106⅝	5,000
" small bonds	...		J & D	112	Apr. 3,'96	....	....	....
" 1st con. 6's. gold	1934	2,653,000	A & O	129⅝	Oct. 22,'03	130	128⅛	8,000
" gen. con. 1st 5's	1937	14,020,000	M & N	117⅛	Oct. 31,'03	117⅛	114	40,000
" registered	....		M & N	119½	Apr. 13,'03	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	111	Sept. 28,'03	....	....	....
Chicago, Indianapolis & Louisville.								
" refunding g. 6's	1947	4,700,000	J & J	125⅛	Oct. 22,'03	125¾	125⅛	4,000
" ref. g. 5's	1947	4,142,000	J & J	108	July 24,'03	....	....	....
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	109	Sept. 28,'03	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highes and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	*Principal Due.*	*Amount.*	*Int'st paid.*	LAST SALE. *Price.*	*Date.*	OCTOBER SALES. *High.*	*Low.*	*Total.*
Chicago, Milwaukee & St. Paul.								
Chicago Mil. & St. Paul con. 7's,	1905	1,860,000	J & J	167	Oct. 21,'03	167	167	2,000
" terminal g. 5's	1914	4,748,000	J & J	110½	June 22,'03	....	....	....
" gen. g. 4's, series A	1989	23,676,000	J & J	110¼	Oct. 28,'03	110¼	106	60,000
" registered		....	Q J	111	Dec. 8,'02	....	....	....
" gen. g. 3½'s, series B.	1989	2,500,000	J & J	104¾	Jan. 29,'02	....	....	....
" registered			J & J	....	....	....	....	....
" Chic. & Lake Sup. 5's,	1921	1,360,000	J & J	116½	Apr. 29,'03	....	....	....
" Chic. & M. R. div. 5's,	1926	3,083,000	J & J	117	Oct. 17,'03	117	117	5,000
" Chic. & Pac. div. 6's,	1910	3,000,000	J & J	111½	Sept. 17,'03	....	....	....
" 1st Chic. & P. W. g. 5's.	1921	25,340,000	J & J	116⅛	Oct. 30,'03	116⅛	115¾	5,000
" Dakota & Gt. S. g. 5's.	1916	2,856,000	J & J	109	Aug. 11,'03	....	....	....
" Far. & So. g. 6's assu...	1924	1,250,000	J & J	137½	July 18,'98	....	....	....
" 1st H'st & Dk. div. 7's,	1910	5,680,000	J & J	116	Aug. 6,'03	....	....	....
" 1st 5's	1910	990,000	J & J	107⅜	Aug. 28,'02	....	....	....
" 1st 7's, Iowa & D, ex,	1908	1,059,000	J & J	183	Feb. 28,'03	....	....	....
" 1st 5's, La. C. & Dav...	1919	2,500,000	J & J	113⅜	Oct. 28,'03	113⅜	113⅜	1,000
" Mineral Point div. 5's,	1910	2,840,000	J & J	105¼	July 29,'03	....	....	....
" 1st So. Min. div. 6's....	1910	7,432,000	J & J	112¾	Oct. 20,'03	112¾	112¾	3,000
" 1st 6's, Southw'n div.,	1909	4,000,000	J & J	109⅞	Aug. 20,'03	....	....	....
" Wis. & Min. div. g. 5's.	1921	4,755,000	J & J	114⅞	Oct. 14,'03	114⅞	114	10,000
" Mil. & N. 1st M. L. 6's.	1910	2,155,000	J & D	113	Oct. 27,'03	113	113	1,000
" 1st con. 6's	1913	5,092,000	J & D	116	July 20,'03	....	....	....
Chic. & Northwestern con. 7's...	1915	12,832,000	Q F	131½	Oct. 23,'03	132	131½	12,000
" extension 4's	1886-1926	18,632,000	F A 15	104½	May 15,'03	....	....	....
" registered			F A 15	106⅜	Oct. 9,'02	....	....	....
" gen. g. 3½'s	1987	20,538,000	M & N	99¾	Oct. 30,'03	100	96½	79,000
" registered			Q F	103	Nov. 19,'98	....	....	....
" sinking fund 6's..	1879-1929	5,753,000	A & O	112	May 12,'03	....	....	....
" registered			A & O	110½	May 4,'03	....	....	....
" sinking fund 5s'..	1879-1929	6,837,000	A & O	107	Oct. 19,'03	107	107	1,000
" registered			A & O	106¾	Mar. 30,'03	....	....	....
" deben. 5's	1909	5,900,000	M & N	109	Oct. 29,'03	109	106¼	12,000
" registered			M & N	104	Sept. 8,'03	....	....	....
" deben. 5's	1921	10,000,000	A & O	108¼	Sept. 28,'03	....	....	....
" registered			A & O	114	Oct. 23,'01	....	....	....
" sinking f'd deben. 5's.	1933	9,800,000	M & N	114½	Aug. 11,'03	....	....	....
" registered			M & N	123	May 28,'01	....	....	....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's...	1905	1,600,000	M & S	106	Nov. 5,'02	....	....	....
Northern Illinois 1st 5's	1910	1,500,000	M & S	108	Oct. 9,'02	....	....	....
Ottumwa C. F. & St. P. 1st 5's.	1909	1,600,000	M & S	105⅝	May 2,'03	....	....	....
Winona & St. Peters 2d 7's	1907	1,592,000	M & N	114	Oct. 16,'03	114	114	10,000
Mil., L. Shore & We'n 1st g. 6's.	1921	5,000,000	M & N	128½	Sept. 22,'03	....	....	....
" ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	116¼	Oct. 9,'03	116¼	116¼	3,000
" Ashland div. 1st g. 6's	1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
" Michigan div. 1st g. 6's.	1924	1,281,000	J & J	128⅝	Aug. 21,'03	....	....	....
" con. deb. 5's	1907	436,000	F & A	107½	Feb. 21,'01	....	....	....
" incomes	1911	500,000	M & N	109	Sept. 9,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup...	1917	12,500,000	J & J	124½	Oct. 22,'03	124½	124½	1,000
" registered	1917		J & J	122	Oct. 6,'03	122	122	5,000
" gen. g. 4's	1988	60,581,000	J & J	103⅞	Oct. 29,'03	104	99¾	547,000
" registered			J & J	107	Jan. 16,'03	....	....	....
" coll. tr. ser. 4's ser. B.	1904	1,473,000	M & N	98	Aug. 18,'03	....	....	....
" C	1905	1,473,000	M & N	100¾	July 2,'02	....	....	....
" D	1906	1,473,000	M & N	....	....	....	....	....
" E	1907	1,473,000	M & N	....	....	....	....	....
" F	1908	1,473,000	M & N	....	....	....	....	....
" G	1909	1,473,000	M & N	....	....	....	....	....
" H	1910	1,473,000	M & N	99⅝	June 3,'02	....	....	....
" I	1911	1,473,000	M & N	....	....	....	....	....
" J	1912	1,473,000	M & N	....	....	....	....	....
" K	1913	1,473,000	M & N	....	....	....	....	....
" L	1914	1,473,000	M & N	....	....	....	....	....
" M	1915	1,473,000	M & N	99½	July 01,'02	....	....	....
" N	1916	1,473,000	M & N	99⅜	June 28,'20	....	....	....
" O	1917	1,473,000	M & N	....	....	....	....	....
" P	1918	1,473,000	M & N	87	Aug. 7,'03	....	....	....
Chic. Rock Is. & Pac. R.R. 4's..	2002	69,557,000	M & N	73⅝	Oct. 31,'03	76¾	69¾	1,392,000
" registered			M & N	88¼	Jan. 7,'03	....	....	....
" coll. trust g. 5's	1913	16,993,000	M & S	74	Oct. 31,'03	77¾	69½	2,166,000
Choc., Okla. & Glf. gen. g. 5s....	1919	1,200,000	J & J	109	Mar. 10,'03	....	....	....
" con. g. 5's	1952	5,500,000	J & J	....	....	....	....	....
Des Moines & Ft. Dodge 1st 4's.	1905	1,200,000	J & J	95¼	Oct. 1,'03	95¼	95¼	1,000
" 1st 2½'s	1905	1,200,000	J & J	90	Oct. 1,'03	90	90	1,000
" extension 4 s...		672,000	J & J	94¾	Jan. 9,'03	....	....	....
Keokuk & Des M. 1st mor. 5's..	1923	2,750,000	A & O	100	Oct. 9,'03	100	100	500
" small bond	1923	....	A & O	107	Oct. 1,'01	....	....	....

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Chic., St.P., Minn.& Oma.con.6's	1930	14,622,000	J & D	133	Oct. 22,'03	133	133	2,000
• con.6's reduced to 3½'s	1930	2,000,000	J & D	....	....	....	....	....
Chic., St. Paul & Minn. 1st 6's	1918	1,901,000	M & N	131¼	May 28,'03	....	....	....
North Wisconsin 1st mort. 6's	1930	700,000	J & J	126⅛	Sept.23,'03	....	....	....
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	121	Oct. 26,'03	121	121	1,000
Chic., Term. Trans. R. R. g. 4's	1947	13,635,000	J & J	74	Oct. 30,'03	74	72⅛	59,000
Chic. & Wn. Ind. gen'l g. 6's	1932	9,710,000	Q M	109⅛	Oct. 26,'03	109⅛	109⅛	2,000
Cin., Ham. & Day. con. s'k. f'd 7's	1905	927,000	A & O	111⅛	Dec. 9,'01	....	....	....
• 2d g. 4½'s	1937	2,000,000	J & J	118	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's	1941	3,500,000	M & N	111¼	Sept.21,'03	....	....	....
Clev.,Cin.,Chic.& St.L. gen.g. 4's	1993	17,657,000	J & D	97	Oct. 30,'03	97¼	95¾	558,000
• do Cairo div. 1st g. 4's	1939	5,000,000	J & J	101⅛	Oct. 8,'02	....	....	....
Cin.,Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	95¾	Sept.16,'03	....	....	....
St. Louis div. 1st col. trust g.4's	1990	9,750,000	M & N	99⅛	Oct. 12,'03	99⅛	99⅛	5,000
• registered				103	Oct. 10,'02	....	....	....
Sp'gfield & Col. div. 1st g. 4's	1940	1,035,000	M & S	102	Dec. 9,'02	....	....	....
White W. Val. div. 1st g. 4's	1940	650,000	J & J	94⅛	Aug.31,'03	....	....	....
Cin.,Ind., St. L. &Chic. 1st g.4's	1936	7,674,000	Q F	97¾	Sept.28,'03	....	....	....
• registered				95	Nov.15,'94	....	....	....
• con. 6's	1920	668,000	M & N	107½	June 30,'93	....	....	....
Cin.,S'dusky&Clev.con.1st g.5's	1928	2,571,000	J & J	111⅝	Sept.18,'03	....	....	....
Clev., C., C. & Ind. con. 7's	1914	3,991,000	J & D	120	July 28,'02	....	....	....
• sink. fund 7's	1914		J & D	119⅜	Nov.19,'89	....	....	....
• gen. consol 6's	1934	3,205,000	J & J	128¼	Oct. 16,'03	128¼	128¼	10,000
• registered			J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's	1940	981,500	A & O	104½	Nov.19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	95	Oct. 23,'03	95	93	32,000
• income 4's	1990	4,000,000	A	62	Oct. 27,'03	62	58¼	56,000
Clev.,Lorain &Wheel'g con.1st 5's	1933	5,000,000	A & O	109	Oct. 8,'03	109	109	6,000
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	127½	Jan. 25,'02	....	....	....
• registered			Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's	1947	8,946,000	J & J	63	Oct. 31,'03	64⅛	62	81,000
Colorado & Southern 1st g. 4's	1929	18,650,000	F & A	86¾	Oct. 30,'03	86¾	82	170,000
Conn., Passumpsic Riv's 1st g. 4's	1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's	1907	3,067,000	M & S	114	July 7,'03	....	....	....
Morris & Essex 1st m 7's	1914	5,000,000	M & N	133	Oct. 30,'03	133	131⅛	10,000
• 1st c. gtd 7's	1915	11,677,000	J & D	130¾	Aug. 7,'03	....	....	....
• registered			J & D	140	Oct. 26,'98	....	....	....
• 1st refund.gtd.g.3½'s	2000	7,000,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	127¼	Sept.22,'03	....	....	....
• const. 5's	1923	5,000,000	F & A	109⅜	Sept.23,'03	....	....	....
• terml. imp. 4's	1923	5,000,000	M & N	101¾	Sept.29,'03	....	....	....
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	108⅛	Oct. 28,'03	108⅛	108⅛	1,000
Warren Rd. 1st rfdg.gtd g.3½'s	2000	905,000	F & A	102	Feb. 2,'03	....	....	....
Delaware & Hudson Canal.								
• 1st Penn. Div. c. 7's	1917	5,000,000	M & S	136½	July 29,'03	....	....	....
• reg	1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	107	Oct 23,'03	107	107	15,000
• registered			A & O	122	June 6,'99	....	....	....
• 6's	1906	7,000,000	A & O	105¼	June10,'03	....	....	....
• registered			A & O	109½	Nov.16,'01	....	....	....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	143¾	Nov.10,'02	....	....	....
• 1st r 7's	1921		M & N	147¾	June18,'03	....	....	....
Denver & Rio G. 1st con. g. 4's	1936	33,450,000	J & J	100	Oct. 29,'03	100¼	98¾	70,500
• con. g. 4½'s	1936	6,382,000	J & J	106⅝	May 22,'03	....	....	....
• impt. m. g. 5's	1928	8,103,500	J & D	104	Oct. 14,'03	104	104	4,000
Rio Grande Western 1st g. 4's	1939	15,200,000	J & J	95⅝	Oct. 28,'03	95¾	95	44,000
• mge.&col.tr.g.4's ser.A	1949	12,200,000	A & O	86	Oct. 28,'03	86	83¼	30,000
Utah Central 1st gtd. g. 4's	1917	550,000	A & O	97	Jan. 3,'02	....	....	....
Denv. & Southern Ry g. s. fg. 5's	1929	4,923,000	J & D	38	Oct. 31,'03	42	36	418,000
Des Moines Union Ry 1st g. 5's	1917	623,000	M & N	111	Feb. 28,'03	....	....	....
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	100½	July 22,'03	....	....	....
• g. 4s	1995	1,250,000	J & D	92½	Oct. 17,'03	92½	92½	5,000
Detroit Southern 1st g. 4's	1951	2,866,000	J & D	75⅛	Aug.25,'03	....	....	....
• Ohio South. div.1st g.4's	1941	4,281,000	M & S	81	Oct. 27,'03	83	80	10,000
Duluth & Iron Range 1st 5's	1937	6,732,000	A & O	109	Sept.15,'03	....	....	....
• registered			A & O	101½	July 23,'89	....	....	....
• 2d l m 6s	1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's	1937	2,816,000	J & J	113¾	Oct. 20,'03	113⅛	113	6,000
Elgin Joliet & Eastern 1st g 5's	1941	8,500,000	M & N	115	Oct. 29,'03	115	113	32,000

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Erie 1st ext. g. 4's	1947	2,482,000	M & N	114	May 25,'03	....	....	....
• 2d extended g. 5's	1919	2,149,000	M & S	111	Oct. 5,'03	111	111	2,000
• 3d extended g. 4½'s	1923	4,617,000	M & S	112	Aug.15,'03	....	....	....
• 4th extended g. 5's	1920	2,926,000	A & O	117	Dec. 19,'02	....	....	....
• 5th extended g. 4's	1928	709,500	J & D	101⅞	June26,'03	....	....	....
• 1st cons gold 7's	1920	16,390,000	M & S	134	July 13,'03	....	....	....
• 1st cons. fund g. 7's	1920	3,699,500	M & S	130	Aug. 7,'03	....	....	....
Erie R.R. 1st con.g-4s prior bds.	1996	34,000,000	J&J	98¼	Oct. 30,'03	98½	96¼	381,000
• registered			J&J	97	May 15,'03	....	....	....
• 1st con. gen. lien g. 4s.	1996	34,385,000	J&J	83¾	Oct. 30,'03	84¼	82	607,000
• registered			J&J	....	....	....	....	....
• Penn. col. trust g. 4's.	1951	32,000,000	F & A	89½	Oct. 27,'03	89½	88½	100,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	125½	June17,'03	....	...	....
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	....	....	....	....	....
• small			J&J	....	....	....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	118½	Oct. 12,'03	118⅝	117½	22,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	106	Aug. 5,'02	....	....	....
Long Dock consol. g. 6's	1935	7,500,000	A & O	134½	June30,'03	....	....	....
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	113¾	Dec. 17,'02	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	114	Oct. 16,'03	114	114	22,000
N. Y. & Greenw'd Lake gt g 5's	1946	1,453,000	M&N	109	Oct. 27,'98	....	....	....
• small								
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	110	Aug.28,'03	....	....	....
N.Y., Sus.&W. 1st refdg. g. 5's	1937	3,745,000	J & J	108	Aug.27,'03	....	....	....
• 2d g. 4½'s	1937	447,000	F & A	100¾	Sept.30,'03	....	....	....
• gen. g. 5's	1940	2,546,000	F & A	100	Sept.16,'03	....	....	....
• term. 1st g. 5's	1943	2,000,000	M & N	108	May 1,'03	....	....	....
• registered......$5,000 each			M & N	....	....	....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	107½	Oct. 14,'03	107½	107½	1,000
Evans. & Terre Haute 1st con. 6's.	1921	3,000,000	J & J	116	Sept.18,'03	....	....	....
• 1st General g 5's	1942	2,223,000	A & O	104	June22,'03	....	....	....
• Mount Vernon 1st 6's	1923	375,000	A & O	112	June 2,'02	....	....	....
• Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sept.15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	107	Oct. 15,'03	107	107	10,000
Ft. Smith U'n Dep. Co. 1st g 4½'s.	1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D. C. ctfs.dep. 1st 6's	1921	3,176,000	......	107	Oct. 30,'03	107	103	61,000
Ft. Worth & Rio Grande 1st g 5's.	1928	2,863,000	J & J	75	Oct. 27,'03	75	70	4,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	100	Oct. 14,'03	100	100	1,000
Gulf & Ship Isl. 1st refg.&ter.5's	1952	4,591,000	J & J	102⅝	Oct. 2,'03	102⅝	102⅝	5,000
• registered			J & J	....	....	....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	12,157,000	J & J	106⅜	Oct. 29,'03	106½	104½	103,000
• registered			J & J	....	....	....	....	....
Col. Hock's Val. 1st ext. g. 4's.	1848	1,401,000	A & O	100	June20,'03	....	....	....
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	114	Oct. 27,'03	114	114	8,000
• registered			J&J	113½	Mar. 12,'19	....	....	....
• 1st gold 3½'s	1951	2,499,000	J&J	99½	Oct. 14,'03	99½	99½	3,000
• registered			J&J	94	Mar. 28,'03	....	....	....
• extend 1st g 3½'s	1951	3,000,000	A & O	99¼	Oct. 22,'03	99¼	99¼	5,000
• registered			A & O	....	....	....	....	....
• 1st g 3s sterl. £500,000.	1951	2,500,000	M & S	92½	July 13,'96	....	....	....
• registered			M & S	....	....	....	....	....
• total outstg....$13,950,000								
• collat. trust gold 4's	1952	15,000,000	A & O	102½	Oct. 17,'03	102½	102½	23,000
• regist'd			A & O	102	Oct. 4,'01	....	....	....
• col.t.g.4sL.N.O.&Tex.	1953	24,679,000	M & N	103¾	Oct. 23,'03	103¾	101½	10,000
• registered			M & N	104⅝	May 20,'02	....	....	....
• Cairo Bridge g 4's	1950	3,000,000	J & D	106½	Mar. 7,'03	....	....	....
• registered			J & D	123	May 24,'99	....	....	....
• Louisville div.g. 3½'s.	1953	14,320,000	J & J	91½	Oct. 10,'03	91½	91½	5,000
• registered			J & J	88½	Dec. 8,'99	....	....	....
• Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
• St. Louis div. g. 3's	1951	4,939,000	J & J	85¾	Aug.14,'02	....	....	....
• registered			J & J	101¼	Jan. 31,'19	....	....	....
• g. 3½'s	1951	6,321,000	J & J	91½	Oct. 10,'03	91½	91½	10,000
• registered			J & J	101½	Sept. 10,'95	....	....	....
• Sp'gfield div 1stg 3½'s,	1951	2,000,000	J & J	100	Nov. 7,'19	....	....	....
• registered			J & J	124	Dec. 11,'99	....	....	....
• West'n Line 1st g. 4's,	1951	5,425,000	F & A	103⅛	Sept.26,'03	....	....	....
• registered			F & A	101½	Jan.31,'91	....	....	....
Belleville & Carodt 1st 6's	1923	470,000	J & D	124	May 16,'03	....	....	....

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Carbond'e & Shawt'n 1st g. 4's,	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's....	1951	16,555,000	J D 15	118	Oct. 13,'03	118	118	1,000
• gold 5's, registered........			J D 15	117	Oct. 3,'03	117	117	1,000
• g. 3½'s................	1951	1,352,000	J D 15	104⅝	Apr. 11,'02	....	....	....
• registered..............			J D 15	106¼	Aug.17,'99	....	....	....
• Memph. div. 1st g. 4's,	1951	3,500,000	J & D	106⅛	Jan. 28,'03	....	....	....
• registered..............			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's,	1931	538,000	M & S	101	Mar. 3,'02	....	....	....
Ind., Dec. & West. 1st g. 5's......	1935	1,824,000	J & J	107⅛	Sept.11,'03	....	....	....
• 1st gtd. g. 5's............	1935	933,000	J & J	107½	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's..	1950	4,850,000	J & J	97	Sept.29,'03	....	....	....
Internat. & Gt. N'n 1st. 6's, gold.	1919	10,742,000	M & N	120½	Oct. 19,'03	120½	120½	1,000
• 2d g. 5's...	1909	9,842,000	M & S	96	Oct. 29,'03	96	95	27,000
• 3d g. 4's..................	1921	2,730,000	M & S	74¼	Feb. 20,'03	....	....	....
Iowa Central 1st gold 5's..........	1938	7,650,000	J & D	109⅞	Oct. 3,'03	110	108½	3,000
• refunding g. 4's ...	1951	2,000,000	M & S	92	Aug.25,'03	....	....	....
Kansas City Southern 1st g. 3's..	1950	30,000,000	A & O	65⅞	Oct. 30,'03	66	64⅛	....
• registered..................			A & O	63¼	Oct. 16,19'	....	....	321,000
Lake Erie & Western 1st g. 5's...	1937	7,250,000	J & J	116⅛	Oct. 30,'03	117	116	10,000
• 2d mtge. g. 5's..........	1941	3,625,000	J & J	111¼	Oct. 22,'03	111¼	111¼	10,000
Northern Ohio 1st gtd g 5's...	1945	2,500,000	A & O	109½	Oct. 15,'03	109½	109½	5,000
Lehigh Val. (Pa.) coll. g. 5's.....	1997	8,000,000	M & N	110	Feb. 3,'02	....	....	....
• registered..................			M & N	....	....	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s.	1940	15,000,000	J&J	105⅞	Oct. 29,'03	105⅞	104½	6,000
• registered..................		....	J&J	109½	June18,'02	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.	1941	10,000,000	A & O	113⅝	June 1,'03	....	....	....
• registered..................			A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's.	1933	10,114,000	J & J	104½	Sept.19,'03	....	....	....
• registered..............	1933		J & J	....	....	91	91	....
Lehigh & N. Y., 1st gtd g. 4's.....	1945	2,000,000	M&S	91	Oct. 14,'03	....	....	5,000
• registered..................			M&S	....	....	....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....	....	....	....	....
• • g. gtd 5's.......	1914	1,250,000	A & O	100	Mar. 25,'99	....	....	....
Long Island 1st cons. 5's..........	1931	3,610,000	Q J	113½	Aug.25,'03	....	....	....
• 1st con. g. 4's...........	1931	1,121,000	Q J	101	Nov.22,'99	....	....	....
Long Island gen. m. 4's..........	1938	3,000,000	J & D	101	Oct. 29,'03	101	100	13,000
• Ferry 1st g. 4½'s......	1922	1,494,000	M & S	100½	June12,'03	....	....	....
• g. 4's....................	1932	325,000	J & D	102½	May 5,'97	....	....	....
• unified g. 4's...........	1949	6,860,000	M & S	99	Oct. 31,'03	99½	96½	71,000
• deb. g. 5's........	1934	1,135,000	J & D	111	Jan. 22,'02	....	....	....
Brooklyn & Montauk 1st 6's....	1911	250,000	M & S	....	....	....	....	....
• 1st 5's..................	1911	750,000	M & S	105¼	Mar. 3,'03	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's, ..	1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's,	1927	883,000	M & S	112½	Jan. 10,'02	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's,	1932	1,425,000	QJAN	112½	Apr. 9,'02	....	....	....
Louis. & Nash. gen. g. 6's.......	1930	8,584,000	J & D	116	Aug.31,'03	....	....	....
• gold 5's................	1937	1,764,000	M & N	112	Oct. 7,'03	112	112	1,000
• Unified gold 4's........	1940	29,677,000	J & J	98⅝	Oct. 31,'03	98¾	98	205,000
• registered	1940		J & J	83	Feb. 27,'93	....	....	....
• collateral trust g. 5's,	1931	5,129,000	M & N	114¾	Oct. 23,'03	114¾	111	15,000
• E., Hend. & N. 1st 6's..	1919	1,785,000	J & D	113	Oct. 29,'03	113	113	13,000
• L. Cin. & Lex. g. 4½'s, ..	1931	3,258,000	M & N	108¼	Jan. 30,'03	....	....	....
• N. O. & Mobile 1st g. 6's..	1930	5,000,000	J & J	126½	Oct. 30,'03	127½	123½	21,000
• 2d g. 6's................	1930	1,000,000	J & J	122¾	Aug.31,'03	....	....	....
• Pensacola div. g. 6's...	1920	580,000	M & S	116⅜	Mar. 22,'02	....	....	....
• St. Louis div. 1st g. 6's.	1921	3,500,000	M & S	125½	Aug.12,'02	....	....	....
• 2d g. 3's................	1980	3,000,000	M & S	75	June20,'02	....	....	....
• H. B'ge 1st sk'fd. g6's.	1931	1,587,000	M & S	....	....	....	....	....
• Ken. Cent. g. 4's......	1987	6,742,000	J & J	97¾	Oct. 23,'03	97¾	96½	76,000
• L. & N. & Mob. & Montg 1st. g. 4½s..........	1945	4,000,000	M & S	107½	June 2,'02	....	....	....
• South. Mon. joint 4's.	1952	11,827,000	J & J	90	Oct. 23,'03	90⅛	86	69,000
• registered.................			Q Jan	....	....	....	....	....
• N. Fla. & S. 1st g. g. 5's,	1937	2,096,000	F & A	106½	Sept.24,'03	....	....	....
• Pen. & At. 1st g. g, 6's,	1921	2,550,000	F & A	110	Aug.14,'03	....	....	....
• S. & N. A. con. gtd. g. 5's.	1936	3,673,000	F & A	105¼	Oct. 1,'03	105⅛	105	50,000
• So. & N. Ala. sl'fd. g. 6s.	1910	1,942,000	A & O	110	Mar. 23,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's.	1945	3,000,000	M & S	100	Mar. 19,'01	....	....	....
Manhattan Railway Con. 4's.....	1990	28,065,000	A & O	102	Oct .31,'03	103⅛	99	210,000
• registered..................			A & O	103⅞	Dec. 17,'02	....	....	....

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Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	109⅞	Oct. 23,'03	109⅞	109¼	23,000
Manitoba Swn. Coloniza'n g. 5's,	1934	2,544,000	J & D	....	....	....	....	....
Mexican Central.								
" con. mtge. 4's	1911	65,643,000	J & J	71	Oct. 26,'03	71¼	69½	68,000
" 1st con. inc. 3's	1939	20,511,000	JULY	14	Oct. 30,'03	14⅞	13¼	412,000
" 2d 3's	1939	11,724,000	JULY	8⅛	Oct. 28,'03	8⅞	7	30,000
" equip. & collat. g. 5's	1917	650,000	A & O	....	....	....	....	....
" 2d series g. 5's	1919	715,000	A & O	....	....	....	....	....
" col.trust g.4½'s1st se of	1907	10,000,000	F & A	92⅛	Oct. 29,'03	93⅛	91⅞	75,000
Mexican Internat'l 1st con g. 4's,	1977	3,362,000	M & S	90⅝	July 29,'01	....	....	....
" stamped gtd		3,621,000	......	....	....	....	....	....
Mexican Northern 1st g. 6's	1910	1,061,000	J & D	....	....	....	....	....
" registered			J & D	105	May 2,19'	....	....	....
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	144	Oct. 1,'03	144	144	1,500
" Iowa ext. 1st g. 7's	1909	1,015,000	J & D	116¾	Feb. 24,'03	....	....	....
" Pacific ext. 1st g. 6's	1921	1,382,000	J & A	123½	Apr. 29,'03	....	....	....
" Southw. ext. 1st g. 7's	1910	636,000	J & D	121	Jan. 21,'02	....	....	....
" 1st con. g. 5's	1934	5,000,000	M & N	112¼	Sept. 23,'03	....	....	....
" 1st & refunding g. 4's	1949	7,600,000	M & S	98	Oct. 26,'03	98	98	5,000
Minn., S. P. & S. S. M., 1st c. g. 4's	1938	21,949,000	J & J	98	Apr. 8,'01	....	....	....
" stamped pay. of int. gtd.				....	....	....	....	....
Minneapolis & Pacific 1st m. 5's	1936	337,000	J & J	102	Mar. 26,'87	....	....	....
" stamped 4's pay. of int. gtd.				....	....	....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's	1926	8,209,000	J & J	103	Nov. 11,'01	....	....	....
" stamped pay. of int. gtd.				89⅝	June 18,'91	....	....	....
Missouri, K. & T. 1st mtge g. 4's	1990	40,000,000	J & D	98¼	Oct. 31,'03	98⅛	97	225,500
" 2d mtge. g. 4's	1990	20,000,000	F & A	76½	Oct. 31,'03	77¼	75⅛	77,500
" 1st ext gold 5's	1944	2,868,000	M & N	100¾	Oct. 31,'03	100¾	97	358,000
St. Louis div. 1st refundg 4s	2001	1,852,000	A & O	86	Oct. 16,'02	....	....	....
Dallas & Waco 1st gtd. g. 5's	1940	1,340,000	M & N	101	Oct. 20,'03	101	101	16,000
Mo. K.&T. of Tex 1st gtd. g. 5's	1942	3,907,000	M & S	100	Oct. 28,'03	100⅝	97	186,000
Sher.Shrevept & So1st gtd.g.5's	1943	1,689,000	J & D	106	Aug. 21,'03	....	....	....
Kan. City & Pacific 1st g. 4's	1990	2,500,000	F & A	90	May 14,'03	....	....	....
Mo. Kan. & East'n 1st gtd. g. 5's	1942	4,000,000	A & O	105⅛	Oct. 12,'03	107	105⅛	58,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	120¼	Oct. 30,'03	120¼	118⅛	135,000
" 3d mortgage 7's	1906	3,828,000	M & N	107⅛	Oct. 7,'03	107⅛	107⅛	1,000
" trusts gold 5's stamp'd	1917	14,376,000	M & S	104⅛	Oct. 31,'03	105	102½	119,000
" registered			M & S	....	....	....	....	....
" 1st collateral gold 5's	1920	9,636,000	F & A	104⅛	Oct. 30,'03	104⅛	101⅜	128,000
" registered			F & A	....	....	....	....	....
Cent. Branch Ry. 1st gtg. g. 4's	1919	3,459,000	F & A	91¾	Oct. 23,'03	91⅞	91¾	12,000
Leroy & Caney Val. A. L. 1st 5's	1926	520,000	J & J	100	May 1,'01	....	....	....
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	101	Oct. 16,'03	101	101	11,000
" 2d extended g. 5's	1938	2,573,000	F & A	108¾	Oct. 2,'03	108¾	108¾	3,000
St. L. & I. g. con. R.R.&l.gr. 5's	1931	36,258,000	A & O	110⅞	Oct. 31,'03	111½	109⅛	360,000
" stamped gtd gold 5's	1931	6,945,000	A & O	109¾	Oct. 21,'03	109¾	108	18,000
" unify'g & rfd'g g. 4's	1929	25,726,000	J & J	86¼	Oct. 30,'03	86¼	81¼	238,000
" registered			J & J	....	....	....	....	....
Verdigris V'y Ind. & W. 1st 5's	1926	750,000	M & S	....	....	....	....	....
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	109	Aug. 31,19'	....	....	....
" small		226,000	J & J	90	Feb. 4,'03	....	....	....
" mtg. g. 4's	1945	700,000	J & J	93	Apr. 25,'02	....	....	....
" small		500,000	......	....	....	....	....	....
Mob. Jackson & Kan. City 1st g. 5's	1946	1,882,000	J & D	102	July 25,'02	....	....	....
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	123¼	Oct. 13,'03	123¼	123¼	1,000
" 1st extension 6's	1927	974,000	J & D	120	Oct. 27,'03	120	119	4,000
" gen. g. 4's	1938	9,472,000	Q J	91½	Oct. 26,'03	91½	90	3,000
" Montg'ry div. 1st g. 5's	1947	4,000,000	F & A	110	Sept. 29,'03	....	....	....
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	93	Feb. 3,'03	....	....	....
" collateral g. 4's	1930	2,494,000	Q F	96½	Nov. 30,'01	....	...	....
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	121	Oct. 28,'03	121	120¾	2,000
" 1st cons. g. 5's	1928	7,412,000	A & O	110	Oct. 19,'03	110	108½	5,000
" 1st g. 6's Jasper Branch	1923	371,000	J & J	123	Mar. 28,'01	....	....	....
" 1st 6's McM. M.W. & Al.	1917	750,000	J & J	116	July 31,'02	....	....	....
" 1st 6's T. & Pb	1917	300,000	J & J	110	Dec. 20,'99	....	....	....
Nat. R.R. of Mex. prior lien g. 4½'s	1926	20,000,000	J & J	102½	Oct. 28,'03	103	102½	15,000
" 1st con. g. 4's	1951	22,000,000	A & O	75¾	Oct. 30,'03	76	73½	60,000
N. O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108½	Aug. 13,'94	....	....	....

BOND QUOTATIONS.—Last sale, price and date highest and lowest prices and total sales for the month.

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Name. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	October Sales. High.	October Sales. Low.	October Sales. Total.
N.Y. Cent. & Hud. R. g. mtg. 3½s. 1997	70,857,000	J & J	99⅞	Oct. 30,'03	100	96¼	550,000
" " registered......		J & J	99	Oct. 28,'03	100	99	11,000
" debenture 5's.....1884-1904	4,480,000	M & S	100⅞	Oct. 23,'03	100⅞	100⅝	30,000
debenture 5's reg..........		M & S	100½	June 26,'03	....	....	....
" reg. deben. 5's....1889-1904	639,000	M & S	103⅛	Apr. 30,'01	....	....	....
" debenture g. 4's..1890-1905	5,094,000	J & D	99¾	June 1,'03	....	....	....
" registered................		J & D	99	Dec. 12,'02	....	....	....
" deb. cert. ext. g. 4's...1905	3,581,000	M & N	99	Oct. 6,'03	99	99	500
" registered................		M & N	99½	Nov. 8,'02	....	....	....
Lake Shore col. g. 3½s..........1998	90,578,000	F & A	90½	Oct. 30,'03	91	89½	119,000
" registered................		F & A	88¾	Oct. 27,'03	88¾	86¼	31,000
Michigan Central col. g. 3½s..1998	19,336,000	F & A	88	Sept. 22,'03	....	....	....
" registered................		F & A	91	Jan. 17,'03	....	....	....
Beech Creek 1st. gtd. 4's........1936	5,000,000	J & J	108½	June 9,'03	....	....	....
" registered		J & J	106	June 17,'98	....	....	....
" 2d gtd. g. 5's..........1936	500,000	J & J	....	....	....	....	....
" registered	....	J & J	....	....	....	....	....
" ext. 1st. gtd. g. 3½'s..1951	4,500,000	A & O	....	....	....	....	....
" registered..............		A & O	....	....	....	....	....
Carthage & Adiron. 1st gtd g. 4's 1981	1,100,000	J & D	....	....	....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A. 1940	770,000	J & J	95	Apr. 3,'02	...	....	....
" small bonds series B......	33,100	J & J	....	....	....	....	....
Gouv. & Oswega. 1st gtd g. 5's. 1942	300,000	J & D	....	....	....	....	....
Mohawk & Malone 1st gtd g. 4's. 1991	2,500,000	M & S	107½	July 6,19'	....	....	....
N. Jersey Junc. R. R. g. 1st 4's. 1986	1,650,000	F & A	105	Oct. 10,'02	....	....	....
" reg. certificates..........		F & A	....	....	....	....	....
N.Y. & Putnam 1st con. gtd g. 4's. 1993	4,000,000	A & O	105½	Nov. 15,'96	....	....	....
Nor. & Montreal 1st g. gtd 5's..1916	130,000	A & O	....	....	....	....	....
West Shore 1st guaranteed 4's. 2361	50,000,000	J & J	108¼	Oct. 30,'03	108⅝	106	71,000
" registered		J & J	108	Oct. 30,'03	108	105¾	52,000
Lake Shore con. 2d 7's..........1903	6,312,000	J & D	102	Sept. 21,'03	....	....	....
" con. 2d registered....1903		J & D	101½	Aug. 10,'03	....	....	....
" g 3½s..................1997	43,820,000	J & D	101½	Oct. 26,'03	101½	98	151,000
" registered....		J & D	100½	Oct. 24,'03	102⅛	99½	70,000
Detroit, Mon. & Toledo 1st 7's. 1906	924,000	F & A	114	Feb. 6,'02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's...1938	840,000	J & J	....	....	....	....	....
Mahoning Coal R. R. 1st 5's ...1934	1,500,000	J & J	124	Jan. 5,'03	....	....	....
Pitt McK'port & Y. 1st gtd 6's..1932	2,250,000	J & J	139	Jan. 21,'03	....	....	....
" 2d gtd 6's............1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's.. 1918	600,000	J & J	....	....	....	....	....
Michigan Cent. 6's..............1909	1,500,000	M & S	110¾	Oct. 31,'03	110¾	110¾	1,000
" 5's......................1931	3,576,000	M & S	123½	Mar. 13,'03	....	....	....
" 5's reg..................1931		Q M	127	June 19,'02	....	....	....
" 4's......................1940	2,600,000	J & J	110	Dec. 7,'01	....	....	....
" 4's reg....................		J & J	106½	Nov. 26,19'	....	....	....
" g. 3½'s sec. by 1st mge. on J. L. & S............	1,900,000	M & S	....	....	....	....	....
" 1st g. 3½'s............1952	10,000,000	M & N	99½	Oct. 26,'03	99½	97½	57,000
Battle C. Sturgis 1st g. g. 3's...1989	476,000	J & D	....	....	....	....	....
N. Y. & Harlem 1st mort. 7's c. .1900	12,000,000	M & N	100	Sept. 24,19'	....	....	....
" 7's registered..........1900		M & N	102¾	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's.....1927	1,200,000	A & O	115	Oct. 15,'03	115	115	15,000
R. W. & Og. con. 1st ext. 5's...1922	2,081,000	A & O	117¼	Oct. 30,'03	117⅝	117¼	10,000
coup. g. bond currency..........		A & O	....	....	....	....	....
Oswego & Rome 2d gtd gold 5's. 1915	400,000	F & A	113¾	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's. 1918	375,000	M & N	....	....	....	....	....
Utica & Black River gtd g. 4's..1922	1,800,000	J & J	104	Oct. 20,'03	104	104	1,000
N.Y., Chic. & St. Louis 1st g. 4's...1937	19,425,000	A & O	103	Oct. 31,'03	104	100	107,000
" registered..................		A & O	103	May 14,'03	....	....	....
N. Y., N. Haven & Hartford.							
Housatonic R. con. g. 5's.......1937	2,838,000	M & N	131¾	Apr. 29,'03	....	....	....
New Haven and Derby con. 5's 1918	575 000	M & N	115½	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's....1905	6,000,000	J & J	106¼	May 14,'03	....	....	....
" 1st 6's..................1905	4,000,000	J & J	101	Sept. 8,'03	....	....	....
N.Y., Ont. & W'n. ref'ding 1st g. 4's. 1992	16,937,000	M & S	100½	Oct. 28,'03	100½	98½	72,000
" registered.......$5,000 only.	....	M & S	101	May 15,'03	....	....	....
Norfolk & Southern 1st g. 5's....1941	1,430,000	M & N	114	Feb. 4,'03	....	....	....
Norfolk & Western gen. mtg. 6's. 1931	7,283,000	M & N	132	Sept. 2,'03	127¼	126	....
" imp'ment and ext. 6's...1934	5,000,000	F & A	128	Apr. 1,'03	....	....	....
" New River 1st 6's........1932	2,000,000	A & O	127¼	Oct. 23,'03	....	....	6,000

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE.		OCTOBER SALES.		
				Price.	*Date.*	*High*	*Low.*	*Total.*
Norfolk & West. Ry 1st con. g. 4s.	1996		A & O	96¾	Oct. 31,'03	96¾	94⅝	737,500
" registered		36,210,500	A & O	96½	Sept.22,'03			
" small bonds			A & O					
" Pocahon C.&C.Co.jt.4's.	1941	20,000,000	J & D	89	Oct. 29,'03	89¼	87¼	140,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	107½	July 1,'01			
" Sci'o Val & N.E.1st g.4's,	1989	5,000,000	J & N	98	Oct. 16,'03	98	97½	18,000
N. P. Ry prior ln ry.&ld.gt.g.4's.	1997	100,392,500	Q J	102⅜	Oct. 31,'03	102¾	100	972,000
" registered			Q J	100½	Oct. 13,'03	100½	100½	5,000
" gen. lien g. 3's	2047	56,000,000	Q F	70½	Oct. 31,'03	71½	70	519,000
" registered			Q F	68	Oct. 26,'03	68	68	20,000
St. Paul & Duluth div. g. 4's	1996	9,215,000	J & D	101	June16,'02			
" registered			J & D					
St. Paul & N. Pacific gen g. 6's.	1923	7,985,000	F & A	122	Oct. 17,'03	122	122	4,000
" registered certificates			Q F	132	July 28,'98			
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	112¼	July 21, 03			
" 2d 5's	1917	2,000,000	A & O	105	Sept.16,'03			
" 1st con. g. 4's	1968	1,000,000	J & D	96½	Mar. 3,'03			
Washington Cen. Ry 1st g. 4's.	1948	1,538,000	QMCH	94½	Feb. 19,'01			
Nor. Pacific Term. Co. 1st g. 6's.	1933	3,665,000	J & J	111½	Oct. 2,'03	111½	111½	4,000
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	114½	May 4,'02			
" gen. mortg. g 6's	1937	2,428,000	A & O	108½	July 9,02'			
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	105½	Oct. 27,'03	105½	104	7,000
Panama 1st sink fund g. 4½'s	1917	2,246,000	A & O	102	Apr.21,'03			
" s. f. subsidy g 6's	1910	1,049,000	M & N	102	Apr. 14,'02			
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	110	Oct. 21,'03	110	110	2,000
" reg	1921		J & J	106	Mar. 26,'03			
" gtd.3½ coi.tr.reg. cts.	1937	4,895,000	M & S	95	Sept.15,'03			
" gtd.3½ col.tr.cts.serB	1941	9,794,000	F & A	91½	Oct. 8,'03	91½	91½	1,000
" Trust Co. ctfs. g. 3½'s.	1916	18,666,000	M & N	95	July 16.'03			
Chic., St. Louis & P. 1st c. 5's.	1932	1,506,000	A & O	122¼	Feb. 9,'03			
" registered			A & O	110	May 3,'92			
Cin., Leb. & N. 1st con.gtd.g.4's.	1942	900,000	J & J					
Clev.&P.gen.gtd.g.4½'s Ser. A.	1942	3,000,000	J & J	108¼	Aug.21,'03			
" Series B	1942	1,561,000	A & O					
" " int. reduc. 3½ p.c.		439,000						
" Series C 3½s	1948	3,000,000	M & N					
" Series D 3½s	1950	1,933,000	F & A					
E.&Pitts. gen.gtd.g.3½s Ser. B.	1940	2,250,000	J & J	102	Nov. 7,19'			
" " " C.	1940	1,508,000	J & J					
Newp. & Cin. Bge Co. gtd g. 4's.	1945	1,400,000	J & J					
Pitts., C. C. & St. L. con. g 4½'s.								
" Series A	1940	10,000,000	A & O	107½	Oct. 7,'03	107½	107½	6,000
" Series B gtd	1942	8,786,000	A & O	107½	Oct. 12,'03	107½	106	5,000
" Series C gtd	1942	1,379,000	M & N	116½	Feb. 14,'01			
" Series D gtd. 4's	1945	4,983,000	M & N	106¼	Nov.19,'02			
" Series E gtd. g. 3½s	1949	10,421,000	F & A	92	Sept.15,'03			
Pitts., Ft. Wayne & C. 1st 7's.	1912	2,219,000	J & J	127⅝	Oct. 21,'02			
" 2d 7's	1912	1,918,000	J & J	119¾	Sept. 9,'03			
" 3d 7's	1912	2,000,000	A & O	120	Mar. 16,'03			
Tol Walhonding Vy.&O.1st gtd.bds								
4½'s series A	1931	1,500,000	J & J					
" 4½'s series B	1933	978,000	J & J					
" 4's series C	1942	1,453,000	M & S					
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	M & N	106½	Oct. 28,'03	106½	103¼	10,000
con. sterling gold 6 per cent	1905	22,762,000	J & J					
con. currency, 6's registered	1905	4,718,000	Q M 15					
con. gold 5 per cent	1919	4,998,000	M & S					
" registered			Q M					
con. gold 4 per cent	1943	3,825,000	M & N	106	Aug.28,'03			
" ten year conv. 3½'s.	1912	20,697,500	M & N	97	Oct. 31,'03	97⅞	94⅜	712,000
Allegh. Valley gen. gtd. g. 4's	1942	5,389,000	M & S	110	Aug.28,19'			
Belvedere Del. con. gtd. 3½'s.	1943	1,000,000	J & J					
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	112¾	Mar. 7,19'			
Del.R. RR.& BgeCo 1stgtdg.4's,	1936	1,300,000	F & A					
G.R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	109½	Oct. 28,'03	109½	109¼	2,000
Sunbury & Lewistown 1stg.4's.	1936	500,000	J & J					
U'd N. J. RR. & Can Co. g 4's	1944	5,646,000	M & S	117	May 1,19'			
Peoria & Pekin Union 1st 6's	1921	1,495,000	Q F	120	Oct. 5,'03	120	120	1,000
" 2d m 4½'s	1921	1,499,000	M & N	95	June16,'03			
Pere Marquette.								
Chic. & West Mich. Ry. 5's	1921	5,753,000	J & D	109	Apr. 28,'02			
Flint & Pere Marquette g. 6's.	1920	3,999,000	A & O	116	July 29,'03			
" 1st con. gold 5's	1939	2,850,000	M & N	107½	Sept.15,'03			
" Port Huron d 1st g 5's.	1939	3,325,000	A & O	109	Oct. 28,'03	109	106½	8,000
Sag'w Tusc. & Hur.1st gtd.g.4's.	1931	1,000,000	F & A					
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93			

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Pittsburg, Junction 1st 6's	1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A.	1928	2,000,000	A & O	112½	Dec. 13,'93	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's	1940	3,000,000	A & O	117¼	July 7,'03	....	....	....
" 1st cons. 5's	1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's	1927	1,562,000	M & N	120½	Dec. 8,'02	....	....	....
Reading Co. gen. g. 4's	1997	64,526,000	J & J	96¾	Oct. 31,'03	96¾	94½	656,000
" registered			J & J	96⅛	July 2,'03	....	....	....
" Jersey Cent. col. g. 4's	1957	23,000,000	......	92	Oct. 29,'03	92½	89	82,000
" " registered		....	......			....	....	....
Atlantic City 1st con. gtd. g. 4's	1951	1,063,000	M & N			....	....	....
Rio Grande Junc'n 1st gtd. g. 5's	1939	1,850,000	J & D	110½	Feb. 25,'03	....	....	....
Rio Grande Southern 1st g. 4's	1940	2,233,000	J & J	75	Aug. 3,'03	....	....	....
" guaranteed		2,277,000	......	94¼	Nov. 15,'02	....	....	....
Rutland RR 1st con. g. 4½ s	1941	2,440,000	J & J			....	....	....
Ogdnsb. & L. Ch'n. Ry. 1st gtd g 4s	1948	4,400,000	J & J			....	....	....
Rutland Canadian 1st gtd. g. 4's	1949	1,350,000	J & J	101¼	Nov. 18,'01	....	....	....
St. Jo. & Gr. Isl. 1st g. 2.342	1947	3,500,000	J & J	85⅛	Oct. 29,'03	85⅛	81	6,000
St. L. & Adirondack Ry. 1st g. 5's	1996	800,000	J & J			....	....	....
" 2d g. 6's	1996	400,000	A & O			....	....	....
St. Louis & San F. 2d 6's, Class B,	1906	998,000	M & N	105½	Sept. 15,'03	....	....	....
" 2d g. 6's, Class C	1906	829,000	M & N	104½	Oct. 6,'03	104½	104½	4,000
" gen. g. 6's	1931	3,681,000	J & J	122	Sept. 30,'03	....	....	....
" gen. g. 5's	1931	5,803,000	J & J	110½	Oct. 26,'03	110½	110½	1,000
St. L & San F. R. R. con. g. 4's	1906	1,558,000	J & D	92	Aug. 20,'03	....	....	....
" S. W. div. g. 5's	1947	829,000	A & O	100	June 5,'02	....	....	....
" refunding g. 4's	1951	52,717,000	J & J	81¼	Oct. 30,'03	82¾	79¾	2,196,000
" " registered			J & J			....	....	....
Kan. Cy Ft. S. & Mem R R con g 6's	1928	13,736,000	M & N	118	June 8,'03	....	....	....
Kan. Cy Ft. S & M Ry ref g gtd g 4s	1936	14,099,000	A & O	78	Oct. 29,'03	78	74½	54,000
" registered			A & O			....	....	....
Kan. Cy & M. R. & B. Co. 1st gtd g 5s	1929	3,000,000	A & O			....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs.,	1989	20,000,000	M & N	95	Oct. 30,'03	95	93	157,000
" 2d g. 4's inc. Bd. ctfs.	1989	3,272,500	J & J	71	Oct. 30,'03	72½	68¾	144,000
" con. g. 4's	1932	12,054,000	J & D	70	Oct. 31,'03	71¼	67¼	498,000
Gray's Point, Term. 1st gtd. g. 5's	1947	339,000	J & D			....	....	....
St. Paul, Minn. & Manito'a 2d 6's	1909	7,364,000	A & O	110¼	Sept. 10,'03	....	....	....
" 1st con. 6's	1933	13,344,000	J & J	131⅜	Oct. 16,'03	131⅜	128¼	23,000
" 1st con. 6's, registered			J & J	140	May 14,'02	....	....	....
" 1st c. 6's, red'd to g. 4½'s		19,510,000	J & J	108¾	Oct. 19,'03	108¾	108	15,000
" 1st cons. 6's register'd			J & J	115¼	Apr. 15,'01	....	....	....
" Dakota ext'n g. 6's	1910	5,558,000	M & N	110¼	July 30,'03	....	....	....
" Mont. ext'n 1st g. 4's	1937	10,185,000	J & D	102	Oct 28,'03	102½	101	107,000
" registered			J & D	106	May 6,'01	....	....	....
Eastern R'y Minn. 1st d. 1st g. 5's	1908	4,700,000	A & O	104	Aug. 15,'03	....	....	....
" registered			A & O			....	....	....
" Minn. N. div. 1st g. 4's	1940	5,000,000	A & O			....	....	....
" registered			A & O			....	....	....
Minneapolis Union 1st g. 6's	1922	2,150,000	J & J	128	Apr. 4,19'	....	....	....
Montana Cent. 1st 6's int. gtd.	1937	6,000,000	J & J	134	Mar. 16,'03	....	....	....
" 1st 6's, registered			J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's	1937	4,000,000	J & J	116½	Oct. 27,'03	116½	114⅞	16,000
" registered			J & J			....	....	....
Willmar & Sioux Falls 1st g. 5's,	1938	3,625,000	J & D	125½	Feb. 17,'02	....	....	....
" registered			J & D			....	....	....
Salt Lake City 1st g. s. f. 6's	1913	297,000	J & J			....	....	....
San Fe Pres. & Phoe. Ry. 1st g. 5's.	1942	4,940,000	M & S	111	Aug. 15,'01	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's,	1919	3,872,000	J & J	113¾	Dec. 11,'01	....	....	....
Seaboard Air Line Ry g. 4's	1950	12,775,000	A & O	67½	Oct. 30,'03	70½	64	259,000
" registered			A & O			....	....	....
" col. trust refdg g. 5's	1911	10,000,000	M & N	100	Oct. 29,'03	101½	98	52,000
Carolina Central 1st con. g. 4's	1949	2,847,000	J & J	90	Oct. 7,'03	90	90	1,000
Fla Cent & Peninsular 1st g. 5's	1918	3,000,000	J & J	100	Sept. 6,'99	....	....	....
" 1st land grant ext g. 5's	1930	423,000	J & J			....	....	....
" cons. g. 5's	1943	4,370,000	J & J	106½	Feb. 26,'02	....	....	....
Georgia & Alabama 1st con. 5's	1945	2,922,000	J & J	106¼	Aug. 21,'03	....	....	....
Ga. Car. & Nthern 1st gtd g. 5's	1929	5,360,000	J & J	107	July 28,'03	....	....	....
Seaboard & Roanoke 1st 5's	1926	2,500,000	J & J			....	....	....

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	OCTOBER SALES. *High.*	OCTOBER SALES. *Low.*	OCTOBER SALES. *Total.*
Sodus Bay & Sout'n 1st 5's, gold, 1924	500,000	J & J	102	Jan. 20,'03	....	....	....
Southern Pacific Co.							
" 2-5 year col. trust g. 4½'s. 1905	15,000,000	J & D	99⅛	Oct. 29,'03	99⅛	97	102,000
" g. 4's Central Pac. coll.. 1949	28,818,500	J & D	87½	Oct. 30,'03	87¾	85	116,500
" " registered......		J & D	95	Apr. 10,'02	....	....	....
Austin & Northw'n 1st g. 5's... 1941	1,920,000	J & J	105⅛	Feb. 25,'03	....	....	....
Cent. Pac. 1st refud. gtd. g. 4's.. 1949	62,754,000	F & A	99⅛	Oct. 30,'03	100	97¼	323,500
" registered................		F & A	99¼	Mar. 5,'93	....	....	....
" mtge. gtd. g. 3½'s... 1929	18,069,500	J & D	86	Oct. 25,'03	86	85	142,700
" " registered........		J & D	....	....	....	....	....
Gal. Harrisb'gh & S. A. 1st g 6's.. 1910	4,756,000	F & A	110¼	Feb. 27,'03	....	....	....
" 2d g 7's.............. 1905	1,000,000	J & D	105	Feb. 11,'03	....	....	....
" Mex. & P. div 1st g 5's. 1931	13,418,000	M & N	106⅛	Oct. 28,'03	106⅛	108	51,000
Gila Val. G. & N'n 1st gtd g 5's. 1924	1,514,000	M & N	108	Oct. 22,'03	108	101⅛	9,000
Houst. E. & W. Tex. 1st g. 5's.. 1933	501,000	M & N	104¾	Oct. 30,'03	104¾	104½	15,000
" 1st gtd. g. 5's.......... 1933	2,199,000	M & N	102½	Dec. 1,'02	....	....	....
Houst. & T. C. 1st g 5's int. gtd.. 1937	5,800,000	J & J	111¾	Oct. 28,'03	111¾	110	16,000
" con. g 6's int. gtd...... 1912	2,826,000	A & O	110½	Oct. 30,'03	110½	110⅛	6,000
" gen. g 4's int. gtd...... 1921	4,287,000	A & O	90	Oct. 28,'03	91	90	5,000
" W & Nwn. div. 1st. g. 6's. 1930	1,105,000	M & N	127⅛	Feb. 27,'02	....	....	....
Morgan's La & Tex. 1st g 6's.... 1920	1,494,000	J & J	122	Sept. 15,'02	....	....	....
" 1st 7's.................. 1918	5,000,000	A & O	130	Nov. 19,'02	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's.. 1912	1,465,000	A & O	....	....	....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's. 1907	3,964,000	J & J	102	July 30,'03	....	....	....
" gtd. g. 5's..................	4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's........ 1927	19,081,000	J & J	105⅛	Nov. 7,'01	....	....	....
San Ant. & Aran Pass 1st gtd g 4's. 1943	18,900,000	J & J	76¾	Oct. 30,'03	79	78⅜	248,000
South'n Pac. of Ariz. 1st 6's..... 1909	6,000,000	J & J	107	Oct. 14,'03	107	107	2,000
" " " 1910	4,000,000	J & J	111⅛	Apr. 6,'03	....	....	....
" of Cal. 1st g 6's ser. A. 1905	29,192,500	A & O	103¼	July 20,'03	....	....	....
" " " ser. B. 1905		A & O	102	Oct. 22,'03	102	102	3,000
" " " C. & D. 1906		A & O	106⅛	May 15,'03	....	....	....
" " " E. & F. 1902		A & O	119¾	Feb. 20,'03	....	....	....
" " " 1912	....	A & O	119	Mar. 17,'03	....	....	....
" 1st con. gtd. g 5's... 1937	6,809,000	M & N	107⅛	Sept. 1,'03	....	....	....
" stamped........ 1905-1937	21,470,000	......	108⅜	Oct. 24,'03	108⅛	108⅛	65,000
So. Pacific Coast 1st gtd. g. 4's. 1937	5,500,000	J & J	....	....	....	....	....
" of N. Mex. c. 1st 6's. 1911	4,180,000	J & J	108¾	June 26,'03	....	....	....
Tex. & New Orleans 1st 7's...... 1905	862,000	F & A	103⅛	Oct. 20,'03	103⅛	103⅛	2,000
" Sabine div. 1st g 6's... 1912	2,575,000	M & S	111⅛	Oct. 30,'02	....	....	....
" con. g 5's............. 1943	1,620,000	J & J	101	Apr. 25,'03	....	....	....
Southern Railway 1st con. g 5's. 1994	37,191,000	J & J	113⅛	Oct. 30,'03	113⅜	112	497,000
" registered..................		J & J	111¼	Aug. 7,'03	....	....	....
Mob. & Ohio collat. trust g. 4's. 1938	7,999,000	M & S	92¼	Oct. 30,'03	92⅛	89⅛	43,000
" registered................		M & S	....	....	....	....	....
" Memph. div. 1st g. 4-4½-5's. 1996	5,183,000	J & J	111	Oct. 28,'03	111	110½	15,000
" registered..................		J & J	....	....	....	....	....
" St. Louis div. 1st g. 4's... 1951	11,250,000	J & J	95¼	Oct. 27,'03	95¼	92⅞	11,000
" " registered.........		J & J	....	....	....	....	....
Alabama Central, 1st 6's....... 1918	1,000,000	J & J	120	Mar. 25,'01	....	....	....
Atlantic & Danville 1st g. 4's.. 1948	3,925,000	J & J	90⅛	Oct. 17,'03	90½	90⅛	10,000
Atlantic & Yadkin, 1st gtd g 4s. 1949	1,500,000	A & O	....	....	....	....	....
Col. & Greenville, 1st 5-6's..... 1916	2,000,000	J & J	116	Oct. 20,'03	116	116	5,000
East Tenn., Va. & Ga. div. g. 5's. 1930	3,106,000	J & J	114	Oct. 15,'03	114	114	1,000
" con. 1st g 5's.......... 1956	12,770,000	M & N	117	Oct. 24,'03	117	115⅛	64,000
" reorg. lien g 4's....... 1938	4,500,000	M & S	110⅛	Oct. 23,'03	110⅛	110⅛	30,000
" registered................		M & S	....	....	....	....	....
Ga. Pacific Ry. 1st g 5-6's...... 1922	5,660,000	J & J	119¼	Oct. 27,'03	119¼	119¼	1,000
Knoxville & Ohio, 1st g 6's..... 1925	2,000,000	J & J	120	July 8,'03	....	....	....
Rich. & Danville, con. g 6's.... 1915	5,597,000	J & J	116⅛	Oct. 17,'03	116½	116⅛	5,000
" equip. sink. f'd g 5's, 1909	818,000	M & S	101¼	July 20,19'	....	....	....
" deb. 5's stamped...... 1927	3,368,000	A & O	108	Sept. 1,'03	....	....	....
Rich. & Mecklenburg 1st g. 4's. 1948	315,000	M & N	92	Sept. 9,'02	....	....	....
South Caro'a & Ga. 1st g. 5's.... 1919	5,250,000	M & S	104⅛	Oct. 26,'03	104⅛	103	20,000
Vir. Midland serial ser. A 6's.. 1906	600,000	M & S	....	....	....	....	....
" small......................		M & S	....	....	....	....	....
" ser. B 6's.............. 1911	1,900,000	M & S	112⅛	Jan. 6,'03	....	....	....
" small......................		M & S	....	....	....	....	....
" ser. C 6's.............. 1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
" small......................		M & S	....	....	....	....	....
" ser. D 4-5's............ 1921	950,000	M & S	112	Feb. 18,'03	....	....	....
" small......................		M & S	....	....	....	....	....
" ser. E 5's.............. 1926	1,775,000	M & S	115	Jan. 6,'03	....	....	....
" small......................		M & S	....	....	....	....	....
" ser. F 5's.............. 1931	1,310,000	M & S	114	Dec. 18,'02	....	....	....
Virginia Midland gen. 5's...... 1936	2,892,000	M & N	110⅛	Oct. 15,'03	110⅛	110	20,500
" gen. 5's. gtd. stamped. 1926	2,466,000	M & N	113⅛	May 14,'03	....	....	....

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W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	91¼	Oct. 22,'03	91¼	91¼	2,000
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	115⅛	Mar. 6,'03	....	....	....
Spokane Falls & North. 1st g. 6's	1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl. Ry. N.Y. 1st gtd. g. 4½'s	1943	500,000	J & D	104½	Sept. 2,'02	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	107¼	July 21,'03	....	....	....
• 1st con. g. 5's	1894–1944	5,000,000	F & A	110	Sept. 1,'03	....	....	....
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	115	June 30,'03	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th	1905	2,815,000	M & S	100	Sept. 30,'03	....	....	....
• 1st gold 5's	2000	22,120,000	J & D	116⅞	Oct. 31,'03	117	114	38,000
• 2d gold income, 5's	2000	963,000	MAR.	81	June 25,'03	....	....	....
• La. Div. B.L. 1st g. 5's	1931	3,348,000	J & J	110	Oct. 23,'03	110	109⅞	17,000
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	110	Oct. 19,'03	110	110	5,000
• 1st M. g 5's West. div	1935	2,500,000	A & O	111	Sept. 8,'03	....	....	....
• gen. g. 5's	1935	2,000,000	J & D	112¾	Mar. 2,'03	....	....	....
• Kanaw & M. 1st g. g. 4's	1990	2,469,000	A & O	88	Oct. 5,'03	88	88	2,000
Toledo Peoria & W. 1st g 4's	1917	4,900,000	J & D	91	Oct. 28,'03	91	89	4,000
Tol., St.L. & Wn. prior lien g 3½'s	1925	9,000,000	J & J	84	Oct. 29,'03	85	84	34,000
• registered			J & J	....	....	....	....	....
• fifty years g. 4's	1925	6,500,000	A & O	69	Oct. 31,'03	72¼	68	66,000
• registered			A & O	....	....	...	....	....
Toronto, Hamilton & Buff 1st g 4s	1946	3,280,000	J & D	98	Apr. 29,'03	....	....	....
Ulster & Delaware 1st c. g 5's	1925	1,852,000	J & D	108	Oct. 24,'03	108	108	4,000
Union Pacific R. R. & ld gt g 4s	1947	100,000,000	J & J	102⅝	Oct. 31,'03	102¾	99⅝	1,303,000
• registered			J & J	102	Oct. 23,'03	102¼	100	20,000
• 1st lien con. g. 4's	1911	87,259,000	M & N	96¼	Oct. 31,'03	96⅛	92¾	8,584,000
• registered			M & N	105¼	Dec. 6,'02	....	....	....
Oreg. R. R. & Nav. Co. con. g 4's	1946	21,482,000	J & D	100½	Oct. 27,'03	100⅛	98	131,000
Oreg. Short Line Ry. 1st g. 6's	1922	13,651,000	F & A	124	Oct. 29,'03	124	120½	36,000
• 1st con. g. 5's. 1946		12,328,000	J & J	113⅛	Oct. 30,'03	113⅛	111	56,500
• 4's & participat'g g. bds.	1927	41,000,000	F & A	91⅞	Oct. 30,'03	92¾	88	1,132,000
• registered			F & A	....	....	....	....	....
Utah & Northern 1st 7's	1908	4,993,000	J & J	115	Nov. 24,'01	....	....	....
• g. 5's	1926	1,877,000	J & J	114½	Apr. 19,'02	....	....	....
Virginia & S'western 1st gtd. 5's	2003	2,000,000	J & J	101	Oct. 23,'03	101	100	429,000
Wabash R.R. Co., 1st gold 5's	1939	33,001,000	M & N	116¾	Oct. 30,'03	117	113⅛	80,000
• 2d mortgage gold 5's	1939	14,000,000	F & A	106¼	Oct. 28,'03	106⅛	104	....
• deben. mtg series A	1939	3,500,000	J & J	101½	Apr. 28,'03	....	....	2,406,000
• series B	1939	26,500,000	J & J	56	Oct. 31,'03	57	52	22,000
• first lien eqpt. fd. g. 5's	1921	3,000,000	M & S	101½	Oct. 10,'03	101⅛	101½	31,000
• 1st g. 5's Det. & Chi. ex	1940	3,411,000	J & J	107½	Oct. 27,'03	107⅛	105½	....
• Des Moines div. 1st g. 4s	1939	1,600,000	J & J	97	May 12,'02	....	....	....
• Omaha div. 1st g. 3½s	1941	3,500,000	A & O	84	June 23,'03	....	....	....
• Tol. & Chic. div. 1st g. 4's	1941	3,000,000	M & S	98	Mar. 17,'02	....	....	....
St. L., K.C. & N. St. Chas. B. 1st 6's	1908	473,000	A & O	109½	Mar. 13,'03	....	....	6,000
Western N.Y. & Penn. 1st g. 5's	1937	10,000,000	J & J	115⅛	Oct. 15,'03	115⅛	115	12,000
• gen g. 3-4's	1943	9,789,000	A & O	95⅞	Oct. 27,'03	95⅞	94⅛	....
• inc. 5's	1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va. Cent'l & Pitts. 1st g. 6's	1911	3,250,000	J & J	108	July 31,'03	....	....	....
Wheeling & Lake Erie 1st g. 5's	1926	2,000,000	A & O	112⅛	July 30,'03	....	....	....
• Wheeling div. 1st g. 5's	1928	894,000	J & J	113	Sept. 9,'02	....	....	....
• exten. and imp. g. 5's	1930	343,000	F & A	110	Mar. 6,'03	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's	1949	11,130,000	M & S	89½	Oct. 31,'03	90	85	35,000
Wisconsin Cen. R'y 1st gen. g. 4s	1949	23,897,000	J & J	89⅝	Oct. 31,'03	89¾	89	160,000
STREET RAILWAY BONDS.								
Brooklyn Rapid Transit g. 5's	1945	6,625,000	A & O	100	Oct. 31,'03	100	99¾	19,000
• Atl. av. Bkn. imp. g. 5's	1934	1,500,000	J & J	110	Jan. 20,'99	....	....	....
• City R. R. 1st c. 5's 1916	1941	4,373,000	J & J	108	Oct. 22,'03	108	106	48,500
• Qu. Co. & Sur. con. gtd. g. 5's	1941	2,255,000	M & N	100½	Sept. 26,'03	....	....	....
• Union Elev. 1st. g. 4-5s	1950	16,000,000	F & A	98	Oct. 31,'03	98	94½	249,000
• stamped guaranteed			......	100¾	July 15,'03	....	....	....
Kings Co. Elev. R. R. 1st g. 4's	1949	7,000,000	F & A	84½	Oct. 2,'03	84½	84½	5,000
• stamped guaranteed			......	....	....	....	....	....
Nassau Electric R. R. gtd. g. 4's	1951	10,474,000	J & J	85½	Jan. 5,'03	....	....	....
City & Sub. R'y, Balt. 1st g. 5's	1922	2,430,000	J & D	105⅝	Apr. 17,'95	....	....	....
Conn. Ry. & Lightg 1st & rfg. g 4½'s	1951	8,355,000	J & J	90	Oct. 31,'02	90½	90	8,000
Denver Con. T'way Co. 1st g. 5's	1933	730,000	A & O	97½	June 13,19'	....	....	....
Denver T'way Co. con. g. 6's	1910	1,219,000	J & J	....	....	....	....	....
Metropol'n Ry Co. 1st g. g. 6's	1911	918,000	J & J	....	....	....	....	....
Detroit Cit'ens St. Ry. 1st con. g. 5's	1905	5,485,000	J & J	103	Nov. 23,'01	....	....	....
Grand Rapids Ry 1st g. 5's	1916	2,500,000	J & D	....	....	....	....	....
Louisville Railw'y Co. 1st c. g. 5's	1930	4,600,000	J & J	109	Mar. 19,'98	....	....	....
Market St. Cable Railway 1st 6's	1913	3,000,000	J & J	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date: highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	OCTOBER SALES. High.	OCTOBER SALES. Low.	OCTOBER SALES. Total.
Metro. St. Ry N.Y.g.col. tr.g.5's.1997	12,500,000	F & A	110½	Oct. 26,'03	111¼	110¼	45,000
" refunding 4's..........2002	12,780,000	A & O	89	Aug.11,'03	....	....	....
B'way & 7th ave. 1st con. g. 5's, 1943	7,650,000	J & D	114	Oct. 30,'03	114	110	7,000
" registered		J & D	119½	Dec. 3,19'	....	....	....
Columb. & 9th ave.1st gtd g 5's, 1993	3,000,000	M & S	112	Oct. 7,'03	112	112	1,000
" registered.................		M & S	....		....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	116	July 27,'03	....	....	....
" registered.................		M & S	....		....	....	....
Third Ave. R.R. 1st c.gtd.g.4's..2000	35,000,000	J & J	95	Oct. 31,'03	95½	91	163,000
" registered................		J & J	....		....	....	....
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	118	Oct. 30,'03	118	118	2,000
Met. West Side Elev.Chic.1stg.4's.1938	10,000,000	F & A	96½	Oct. 22,'03	96½	94¼	4,000
" registered.................		F & A	....		....	....	....
Mil.Elec.R.&Light con.30yr.g.5's.1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st							....
con. g. 5's......................1919	4,050,000	J & J	110	June26,'01	....	....	
St.Jos.Ry.Lig't,Heat&P.1stg.5's.1937	3,500,000	M & N	....		....	....	....
St. Paul City Ry. Cable con.g.5's.1937	2,480,000	J&J15	109¼	Apr. 14,'03	....	....	....
" gtd. gold 5's 1937	1,188,000	J & J	112	Nov.28,'99	....	....	....
Union Elevated (Chic.) 1st g.5's.1945	4,387,000	A & O	109½	Dec. 14,'99	....	....	....
United Railways of St.L.1st g.4's.1934	28,292,000	J & J	84⅜	June25,'03	....	....	....
United R. R. of San Fr. s. fd. 4's...1927	20,000,000	A & O	77	Oct. 30,'03	77¼	76⅝	326,000
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	....		....	....	....
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....

MISCELLANEOUS BONDS.

NAME. Principal Due.	Amount.	Int'st Paid.	Price.	Date.	High.	Low.	Total.
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	102½	Oct. 29,'03	102½	102	92,500
Am.Steamship Co.of W.Va.g.5's 1920	5,452,000	M & N	100¾	June 4,'02	....	....	....
Bklyn.FerryCo.ofN.Y.1stc.g.5's.1948	6,500,000	F & A	73	Mar. 26,'03	....	....	....
Chic. Junc. & St'k Y'ds col. g. 5's.1915	10,000,000	J & J	111	Sept.30,'03	....	....	....
Der. Mac.&Ma.ld.gt.3½'s sem.an.1911	2,771,000	A & O	76	Oct. 31,'03	85¾	72	323,000
Hackensack Water Co. 1st 4's....1952	3,000,000	J & J	....		....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g.5's....1916	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim.gen. g. 4's.1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuildng & Dry Dock 5's.............1890-1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co, 50 yrs. 1st g. 4's...1951	11,580,000	F & A	90½	Oct. 24,'03	90½	90½	1,000
" registered..................		J & J	....		....	....	....
St.Joseph Stock Yards 1st g. 4½'s1930	1,250,000				....	....	....
St. Louis Terml. Cupples Station.		J & D	....				
& Property Co. 1st g 4½'s 5-20..1917	3,000,000	J & J	104	July 25,'03	....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	M & S	113½	Dec. 18,19'	....	. ..	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000				....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series D 4½'s..............1901-1916	1,000,000	J & J	....		....	....	....
" E 4's................1907-1917	1,000,000	J & D	....		....	....	....
" F 4's................1908-1918	1,000,000	M & S	....		....	....	....
" G 4's................1903-1918	1,000,000	F & A	100	Mar. 15,19'	....	....	....
" H 4's................1903-1918	1,000,000	M & N	....		....	....	....
" I 4's................1904-1919	1,000,000	F & A	....		....	....	....
" J 4's................1904-1919	1,000,000	M & N	....		....	....	....
" K 4's................1905-1920	1,000,000	J & J	....		....	....	....
Small bonds.........................	....	......	....		....	....	....

INDUSTRIAL AND MFG. BONDS.

NAME. Principal Due.	Amount.	Int'st Paid.	Price.	Date.	High.	Low.	Total.
Am. Cotton Oil deb. ext. 4½'s....1915	2,919,000	......	93⅞	Aug.14,'03	....	....	....
Am. Hide & Lea. Co. 1st s. f. 6's...1919	8,375,000	M & S	68¾	Oct. 28,'03	71	66	87,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & S	90	Oct. 2,'03	90	88	10,000
Am.Thread Co.,1st coll.trust 4's.1919	6,000,000	J & J	78	June 4,'03	....	....	....
Barney & Smith Car Co. 1st g.6's.1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's.1951	157,378,200	F & A	55	Oct. 31,'03	56	52½	1,831,000
" registered..................		F & A	51½	Aug. 5,'03	....	....	....
Dis. Secur. Cor. con. 1st g. 5's....1927	13,379,000	A & O	61⅞	Oct. 30,'03	62⅝	58	504,000
Dis. Co. of Am. coll. trust g 5's..1911	3,080,000	J & J	99	Sept.16,'03	....	....	....
Illinois Steel Co. debenture 5's...1910	1,400,000	J & J	99	Jan. 17,'99	....	....	....
" non. conv. deb. 5's......1910	7,000,000	A & O	100	May 2,'02	....	....	....
Internat'l PaperCo. 1st con.g 6's.1918	9,450,000	F & A	106	Oct. 27,'03	106	104	7,000
Knick'r'ker IceCo.(Chic)1st g 5's.1928	2,000,000	A & O	93	Feb. 24,'03	....	....	....
Lack. Steel Co., 1st con. g. 5's....1923	15,000,000	A & O	93	Oct. 31,'03	94	91½	59,000
Nat. Starch Mfg. Co., 1st g 6's...1920	2,924,000	J & J	90	Oct. 23,'03	90	89⅞	6,000
Nat. Starch. Co's fd. deb. g. 5's..1925	4,137,000	J & J	69	Sept.21,'03	....	....	....
Standard Rope & Twine 1st g. 6's.1946	2,740,000	F & A	35	Oct. 28,03'	36	34½	40,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

Name. Principal Due.	Amount.	Int't paid.	Last Sale. Price.	Last Sale. Date.	October Sales. High.	October Sales. Low.	October Sales. Total.
Standard Rope&Twine inc.g.5s..1946	7,500,000		1⅝	Oct. 29,'03	2	1⅛	108,000
United Fruit Co., con. 5's........1911	3,794,000	M & S					
U. S. Env. Co. 1st sk. fd. g. 6's...1918	3,797,000	J & J					
U. S. Leather Co. 6% g s. fd deb..1915	5,280,000	M & N	110	Oct. 28,'03	110	110	3,000
U. S. Reduction & Refin. Co. 6's..1931			79	Aug.12,'03			
U.S. Shipbldg. 1st & fd g.5'sSer.A.1932	14,500,000	J & J	25⅛	July 21,'03			
" collat. and mge. 5's..1932	10,000,000	F & A	91	Jan. 15,'03			
U.S.SteelCorp.10-60yr.g.sk.fd5's 1963	133,295,500	M & N	72¼	Oct. 31,'03	73¼	68⅛	29 114 000
" " " reg. 1963		M & N	69¾	Oct. 29,'03	72⅛	66¾	42,500
BONDS OF COAL AND IRON COS.							
Colo. C'l & I'n Devel.Co. gtd g.5's.1909	700,000	J & J	55	Nov. 2,19'			
" Coupons off................							
Colo. Fuel Co. gen. g. 6's..........1919	640,000	M & N	112	Apr. 30,'03			
Col. Fuel & Iron Co. gen. sf g 5's..1943	5,355,000	F & A	98	Oct. 29,'03	98	95	24,000
" conv. deb. g. 5's.........1911	14,068,000	F & A	71¼	Oct. 28,'03	76⅛	67¼	999,000
" registered..................		F & A					
Continental Coal 1st s. f. gtd. 5's..1952	2,750,000	F & A					
Grand Riv. Coal & Coke 1st g. 6's.1919	949,000	A & O	115	June 23,'02			
Jeff. & Clearf. Coal & Ir. 1st g. 5's1926	1,588,000	J & D	105⅛	Oct. 10,'98			
" 2d g. 5's.................1926	1,000,000	J & D	102⅛	Oct. 27,'03	102⅛	102⅛	10,000
Kan. & Hoc. Coal&Coke 1st g.5's1951	2,750,000	J & J	105	Oct. 24,19'			
Pleasant Valley Coal 1st g. s.f.5s.1928	1,162,000	J & J	106¼	Feb. 27,'02			
Roch &Pitts.Cl&Ir.Co.pur my5's.1946	1,092,000	M & N					
Sun. Creek Coal 1st sk. fund 6's..1912	879,000	J & D					
Tenn. Coal, Iron & R.R. gen. 5's..1951	3,000,000	J & J	91	July 31,'03			
" Tenn. div. 1st g. 6's......1917	1,193,000	A & O	102¾	Sept.28,'03			
" Birmingh. div. 1stcon.6's1917	3,650,000	J & J	103⅛	Oct. 21,'03	103⅛	103⅛	2,000
Cahaba Coal M. Co., 1stgtd.g.6's1922	892,000	J & D	105	Feb. 10,19'			
De Bardeleben C&ICo.gtd.g.6's1910	2,729,500	F & A	96	Oct. 16,'03	100	96	11,000
Va. Iron, Coal & Coke, 1st g. 5's...1949	6,953,000	M & S	72¾	Oct. 14,'03	73	72	34,000
Wheel L. E. & P. Cl Co. 1st g 5's.1919	836,000	J & J	82	Jan. 15,19'			
GAS & ELECTRIC LIGHT CO. BONDS.							
Atlanta Gas Light Co. 1st g. 5's..1947	1,150,000	J & D					
B'klyn Union GasCo.1stcong. 5's.1945	14,493,000	M & N	116	Oct. 31,'03	116	114	42,000
Buffalo Gas Co. 1st g. 5's.........1947	5,900,000	A & O	74	June 24,'03			
Columbus Gas Co., 1st g. 5's......1932	1,215,000	J & J	104⅛	Jan. 28,'98			
Detroit City Gas Co. g. 5's.......1923	5,608,000	J & J	97⅛	Oct. 30,'03	98¾	95	30,000
Detroit Gas Co. 1st con.g.5's.....1918	381,000	F & A	105	June 2,'03			
Equitable Gas Light Co. of N. Y. 1st con. g. 5's...........1932	3,500,000	M & S	102⅞	Feb. 19,'03			
Gas. & Elec. of Bergen Co, c.g.5s.1949	1,146,000	J & D	67	Oct. 2,'01			
Gen. Elec. Co. del. g. 3½'s 1942	2,049,400	F & A	83¾	Oct. 12,'03	83¾	83¾	1,000
Grand Rapids G. L. Co. 1stg.5's.1915	1,225,000	F & A	107¾	Dec. 17,19'			
Hudson Co. Gas Co. 1st g. 5's....1949	9,180,000	M & N	102	Oct. 2,'03	105	101	8,000
Kansas City Mo. Gas Co. 1st g 5's.1922	3,750,000	A & O					
Kings Co. Elec. L.&Power g. 5's..1937	2,500,000	A & O					
" purchase money 6's....1997	5,010,000	J & J	113⅛	Oct. 23,'03	113⅛	113⅛	17,000
Edison El. Ill. Bkln 1st con.g.4's.1939	4,275,000	J & J	93¼	May 29,'03			
Lac. Gas L't Co. of St. L. 1st g. 5's.1919	10,000,000	Q F	106	Oct. 31,'03	106	102¾	85,000
" small bonds................			97⅛	Nov. 1,'95			
Milwaukee Gas Light Co. 1st 4's..1927	6,000,000	M & N	95	July 31,'02			
Newark Cons. Gas, con. g. 5's....1948	5,274,000	J & D					
N.Y.GasEL.H&PColstcol tr g 5's.1948	15,000,000	J & D	109⅛	Oct. 28,'03	109⅞	105¼	40,000
" registered....................		J & D					
" purchase mny col tr g 4's.1949	20,927,000	F & A	90¼	Oct. 30,'03	90¾	87⅛	108,000
Edison El. Illu. 1st conv. g. 5's.1910	4,312,000	M & S	104	Oct. 22,'03	104	103	3,000
" 1st con. g. 5's............1995	2,156,000	J & J	114	Aug.12,'03			
N.Y.&Qus.Elec.Lg.&P.1st.c.g.5's1930	2,272,000	F & A	100	Oct. 27,'03	100	100	1,000
N.Y.& RichmondGasCo.1stg. 5's.1921	1,000,000	M & N	102¾	Apr. 30,'03			
Paterson&Pas. G.&E. con.g.5's..1949	3,317,000	M & S					
Peop's Gas & C. Co. C. 1st g. g 6's.1904	2,100,000	M & N	100	Aug.25,'03			
" 2d gtd. g. 6's.............1904	2,500,000	J & D	103	Oct. 26,'03	103	102¼	2,500
" 1st con. g 6's............1943	4,900,000	A & O	116	Oct. 22,'03	116¼	116	22,000
" refunding g. 5's 1947	2,500,000	M & S	106	Oct. 26,'03	106	103⅛	3,000
" refuding registered....		M & S					
Chic.Gas Lt&Coke 1st gtd g.5's.1937	10,000,000	J & J	106	Oct. 30,'03	106	103⅛	21,000
Con. Gas Co.Chic. 1st gtd.g.5's.1936	4,346,000	J & D	102⅛	Oct. 13,'03	102⅛	102⅛	1,000
Eq.Gas&Fuel,Chic. 1stgtd.g.6's.1905	2,000,000	J & J	101⅛	Sept.21,'03			
MutualFuelGasCo.1stgtd.g.5's.1947	5,000,000	M & N	100	Sept.14,'03			
" registered..							
Syracuse Lighting Co. 1st g. 5's..1951	2,000,000	J & D					
Trenton Gas & Electric 1st g. 5's.1949	1,500,000	M & S	109	Feb. 8,'01			
Utica Elec. L. & P. 1st s. f'd g.5's.1950	500,000	J & J					
Westchester Lighting Co. g. 5's.1950	5,360,000	J & D					

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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MISCELLANEOUS BONDS—*Continued.*

NAME. Principal Due.	Amount.	Int't paid.	LAST SALE. Price.	LAST SALE. Date.	OCTOBER SALES. High	OCTOBER SALES. Low.	OCTOBER SALES. Total.
TELEGRAPH AND TELEPHONE CO. BONDS.							
Am.Teleph.&Teleg.coll.trust.4's.1929	28,000,000	J & J	96½	Apr. 29,'03	....	....	....
Commercial Cable Co. 1st g. 4's.2397.	10,769,300	Q & J	100½	Apr. 8,'02	....	....	....
" registered....................		Q & J	100½	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.							
Erie Teleg. & Tel. col. tr. g s fd 5's.1926	3,905,000	J & J	109	Oct. 7,'99	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's.1918	2,000,000	M & N	112¼	Oct. 26,'03	112¼	112¼	5,000
" registered....................		M & N					
N. Y. & N. J. Tel. gen. g 5's.......1920	1,261,000	M & N	105¾	July 2,'03	....	....	....
Western Union col. tr. cur. 5's...1938	8,504,000	J & J	105	Oct. 28,'03	105	105	5,000
" fundg & real estate g.4½'s.1950	16,000,000	M & N	103½	Oct. 31,'03	103½	103½	191,000
Mutual Union Tel. s. fd. 6's....1911	1,957,000	M & N	107½	June23,'03	....	....	....
Northwestern Telegraph 7's...1904	1,250,000	J & J	104	May 9,'02	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME Principal Due.	Amount.	Int'st Paid.	YEAR 1903. High.	YEAR 1903. Low.	OCTOBER SALES. High.	OCTOBER SALES. Low.	OCTOBER SALES. Total.
United States con. 2's registered...1930	528,723,050	Q J	109½	106	106¾	106⅝	20,000
" con. 2's coupon............1930		Q J	106¾	106¼	107¾	106¾	19,000
" con. 2's reg. small bonds..1930		Q J	....	....	....	....	......
" con. 2's coupon small bds.1930		Q J	....	....	....	....	......
" 3's registered...........1908 18	80,886,060	Q F	109¼	106¾	109¼	107½	28,000
" 3's coupon...............1908-18		Q F	110	106½	110	108¼	7,500
" 3's small bonds reg.....1908-18		Q F	....	....	....	....	......
" 3's small bonds coupon.1908-18		Q F	109⅝	106⅛	109⅝	109⅝	700
" 4's registered..............1907	167,026,800	J A J&O	112	109	112	110⅛	8,000
" 4's coupon.... 1907		J A J&O	112	109¼	111	110¾	7,000
" 4's registered..............1925	118,489,900	Q F	136½	134¼	135¼	135¼	5,000
" 4's coupon..................1925		Q F	137½	135¼	135¼	135¼	1,000
" 5's registered..............1904	17,383,100	Q F	101½	101½	....	....	......
" 5's coupon..................1904		Q F	103⅜	101⅝	....	....	......
District of Columbia 3-65's............1924	14,224,100	F & A	121	121	....	....	......
" small bonds......................		F & A	....	....	....	....	......
" registered......................		F & A	....	....	....	....	......
STATE SECURITIES.							
Alabama Class A 4 and 5...............1906	6,859,000	J & J	....	....	....	....	......
" " small............	....	....	....	....	....	....	......
" Class B 5's....................1906	575,000	J & J	....	....	....	....	......
" Class C 4's....................1906	962,000	J & J	....	....	....	....	......
" currency funding 4's.......1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.							
Louisiana new con. 4's................1914	10,752,800	J & J	106	106	....	....	......
" " small bonds..........			....	....	....	....	......
Missouri fdg. bonds due..........1894-1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's..............1910	3,397,350	J & J					......
" small........................		J & J	....	....	....	....	......
" 6's..........................1919	2,720,000	A & O					......
South Carolina 4½'s 20-40.............1933	4,392,500	J & J	....	....	....	....	......
Tennessee new settlement 3's.........1913	6,681,000	J & J	97	94	94½	94¼	27,000
" registered.....................	6,079,000	J & J	....	....	....	....	......
" small bond....................	362,200	J & J	93½	93⅛	93⅛	93⅛	700
Virginia fund debt 2-3's of...........1991	18,047,057	J & J	....	....	....	....	......
" registered.....................		J & J	....	....	....	....	......
" 6's deferred cts. Issue of 1871	3,974,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....	8,716,565	....	12	6¼	6⅝	6¼	27,000
FOREIGN GOVERNMENT SECURITIES.							
Frankfort-on the-Main, Germany, bond loan 3½'s series 1......1901	14,776,000 (Marks.)	M & S	....	....	....	....	......
Four marks are equal to one dollar.							
Imperial Russian Gov. State 4% Rente....	2,810,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.							
Quebec 5's.............................1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's....................	....	Q J	98⅝	90½	98¼	98¼	500
Regular delivery in denominations of £100 and £200........................	£22,245,920	......	....	....	....	....	......
Small bonds denominations of £20......	....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.	....	......	....	....	...	....	......

BANKERS' OBITUARY RECORD.

Barnett.—W. B. Barnett, President of the National Bank of Jacksonville, Fla., died October 21, aged eighty years.

Bissell.—Lebbeus Bissell, Treasurer of the Savings Bank of Rockville, Ct., died October 15, aged over ninety-three years. He had been Treasurer of the bank from the time of its organization in 1858. He was also one of the organizers of the First National Bank and a director of the Rockville National Bank.

Bradfield.—Dr. J. Y. Bradfield, President of the National Bank of Daingerfield, Texas, from the time of its organization, and well known throughout Texas, died October 6.

Jack.—A. R. Jack, Cashier of the State Bank, Coffeyville, Kan., died September 22, aged forty-eight years.

Kellogg.—George Kellogg, for many years Cashier of the Citizens' National Bank,'Fulton, N. Y., died September 30.

Lewis.—Bertram D. Lewis, Assistant Cashier of the Ilion (N. Y.) National Bank, died October 14.

Loughran.—John Loughran, President of the Manufacturers' National Bank, Brooklyn, N. Y., died October 6, in his eighty-second year. He came to this country, with his parents, when about fifteen years old. After spending several years in the grocery business, he became interested with the firm of Fraser & Bell in the manufacture of tin. Soon after the organization of the Manufacturers' National Bank, in 1878, he became Vice-President, and in 1884 was elected President.

Moore—H. V. Moore, of the banking firm of H. V. Moore & Co., Monticello, Ill., died October 4, aged sixty-six years. He had been engaged in banking at Monticello for the past twenty-five years.

Newton.—Otis K. Newton, Assistant Cashier of the First National Bank, Westboro, Mass., died October 6. Mr. Newton was also town treasurer at the time of his death.

O'Hara—Dr. R. H. O'Hara, one of the organizers of the Grant County Deposit Bank, Willamstown, Ky., and for several years Vice-President, and later President, of the bank, died October 20. He was born at New Liberty, Owen county, Ky., July 5, 1838.

Tracy.—Frank W. Tracy, President of the First National Bank, Springfield, Ill., and one of the leading bankers of the central part of the State, died November 8, aged sixty-nine years. Mr. Tracy was a native of Baltimore, but went to Illinois when a young man. He helped to organize the First National Bank, of Springfield, and was a director of the Chicago and Alton and Baltimore and Ohio Southwestern Railways, and largely interested in other railroad properties. He had been prominently identified with the work of the American Bankers' Association for many years.

Voight.—Robert P. Voight, Vice-President of the National Bank of Commerce, Norfolk, Va., died October 5, aged forty-seven years.

Wilson.—John Wilson, Second Vice-President of the Greenwich Savings Bank, New York city, died October 13, in his ninety-first year.

Winebrener.—Col. David C. Winebrener, President of the Farmers and Mechanics' National Bank, Frederick, Md., died October 10. He fell dead while talking to a friend in his office. Col. Winebrener was sixty-nine years of age at the time of his death.

Woodruff.—Gilbert Woodruff, one of the organizers of the Rockford (Ill.) National Bank, and its President since 1871, died October 2, aged eighty-five years. He was an active business man, and was twice elected mayor of Rockford.

THE

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THE RECENT FLOW OF GOLD FROM EUROPE was later than usual, and this is said to be due to the lateness of the movement of the crops. Not that this gold is sent in payment of this year's crops exported, for there has hardly been time for this except with respect to cotton, but because the call on the central banks for money to move the crops has been longer deferred than in most previous years.

As there is now no profitable way of increasing the amount of money on hand by paper issues, the only resource of the central banks when they find their reserves reduced by the demands of their correspondents is to make these reserves stronger by the importation of gold. Estimates of the full amount to be imported during the present movement range from $10,000,000 to $30,000,000. While the condition of exchange favors this movement, it is impossible always to judge accurately whether the price of exchange is natural as the result of trade conditions or whether artificially produced by foreign loans. When the central banks can only make good their reserves by supplies of gold, these supplies must be obtained even at a sacrifice. The banks must pay high rates to get what they must have whether or no, and are subject to the same conditions as their customers are in a stringent money market.

The currency of the country to-day is nearer to being on a gold-certificate basis than it ever was. The National bank notes are decreasing in amount, Government notes, legal tenders and silver certificates are practically stationary in amount. All are practically exchangeable for gold, but there is no surplus of any of these forms of money and no prospect of their being increased. It is the gold alone, either as gold coin or gold certificates, that may be increased or diminished, thus furnishing what elasticity there is in the aggregate mass of money.

Whether the ebb and flow of gold from and to our money markets, as they connect themselves with the world's supply, can be depended upon to meet the changing demands for cash, may be dubious to those who during the past thirty years have seen supplies of paper and silver artificially produced to meet deficiencies, and who have seen the total supply of money in circulation continually growing, and yet witnessed that recurring vacancy at the money centres, always like Oliver Twist crying for more.

The surplus revenues of the Government have been blamed for this condition of things, but recent experience, since the Treasury has adopted the policy of depositing largely with the banks and thus preventing the locking up of surplus, when surplus existed, in the Treasury, as well as the still more recent experience since the disappearance of the surplus, tend to a modification of views heretofore held as to the part which the independent Treasury has played in causing stringencies in the money market. Even when there seems to be no surplus which the independent Treasury can be blamed for locking up, the same scarcity of money seems periodically to occur. No doubt the accumulation of cash in the Treasury served to aggravate a tendency toward stringency, and produced a setback or panic sooner than it would otherwise have occurred, although the same point of stoppage would have been reached later had there been no surplus locked up.

It seems to be nearer the truth, that the great competition among banks, their eagerness to make every dollar entrusted to them profitable to their stockholders, as well as the great opportunities for loaning money afforded by the spirit of enterprise and speculation, induce the banks to extend just as long as they can. The public seem generally to see danger before the banks do, and this perception of danger is shown by depression of prices on the stock exchanges. Then the banks take alarm and immediately put up their rates and set about strengthening their reserves. The eagerness with which the weekly statements of the banks are inspected and the manifest consequences of good or bad statements in the stock markets indicate the mutual action on each other of the banks and the business public.

It is highly probable that in the past the banks have been encouraged to approach nearer to the danger limit than they otherwise would have done by the hope of help coming from the Treasury. In storing up a surplus reserve the Treasury had been securing a means of helping the markets when danger actually appeared. From this point of view it might be argued that the independent Treasury was not without its advantages. If the banks would not learn to be more conservative and begin to put on the brakes gradually and thus check a too active spirit of enterprise, then it was not so bad a thing that the Treasury accumulation checked them sooner than they would have checked themselves. At the same time the Treasury was in a position to render help when the danger point drew near. But the evil of it lay deeper, in that the banks forgot to rely on themselves and acquired more recklessness the oftener the Treasury gave relief. The continual additions to the currency of the country, whether in paper or in silver, tended to increase the improvidence of the banks, on the same principle as the periodical locking up and pouring out of the surplus. As long as the banks have an easy and comparatively inexpensive way of replenishing reserves depleted by improvident, not to say reckless, habits of extension, so long will they refuse to adopt more careful methods.

For this reason, apart from others, it appears probable that the permission to issue an asset currency, even if such issues were confined to what are called emergencies, would not cure the banking customs which result in periodical reduction of cash reserves to the danger limit. If the banks got into trouble, to issue an asset currency would cost them nothing and they would learn no lesson, but on the contrary would be more set in unwise ways. But when by the abolition of the Treasury surplus, either because Government funds are deposited with the banks or because receipts and expenditures balance, with no way to issue new paper money, the banks are compelled to replenish their reserves by obtaining gold by importation, thus putting themselves on the same footing as the banks of other commercial nations, then they will discover that it costs them something to let themselves come too near to the danger point. After receiving one or two wholesome checks of this kind they will find it necessary to seek to control speculation and not submit to be controlled by it.

It is very true, even when reserves are dependent solely on the gold supply, that there are times when favorable trade balances will enable the banks to recoup themselves for unwise management. But experience with a currency depending for elasticity solely on the gold supply will tend to make bankers more careful in the long run than when they rely on makeshift credit devices. Much more could be said on this point. But the main thing for the bankers of the country to learn is to rely on their own wise management rather than on Treasury assistance. It is believed that the present approach of the money of the country to a condition when it is dependent upon gold alone for elasticity is more likely to induce the conservatism our bankers should cultivate, and lead them to be more faithful supporters of the general welfare in trade and speculation.

Bank money orders received a prominent place in the discussions at the bankers' conventions held this year, and it would seem that the banks are going to make a strong and more or less united effort to get a larger share of this business than they have had heretofore.

All these discussions seem to deplore the small profits the banks obtain from the sale of exchange, and every plan thus far proposed contemplates an increase in the earnings of the banks from charges made for furnishing drafts, or money orders as they are to be called, for remittances. It is said, and no doubt with truth, that the banks are better equipped for transacting this business than either the post office or express companies, and that they ought, with proper efforts, to get the bulk of this business. Banks are naturally the proper agents for carrying on such transactions.

The bankers have been agitating this matter for many years, and at last seem to be making some headway in accomplishing their plans. It is said that the money orders issued annually by the banks and express companies aggregate upwards of $500,000,000. This is a prize worth contending for, and no wonder the banks are seeking eagerly to find the surest method of capturing it.

There is an easy way by which this might be done: let it be known that the banks will issue drafts or money orders without any charge whatever, and the competition of the post office and the express companies would disappear. It is possible that such a step would be even more profitable than the revenues that will be derived from the sale of the exchange under the new plans that apparently find favor, and from the announcement made some time ago by the Bankers' Money Order Association it would seem that this is the view that is held in one quarter at least. This association not only offers to supply banks with money orders without charge, but to permit the banks to remit for these orders, by checks on themselves at stated intervals. Here is a recognition of what seems to be the fact—that the use of money for the average life of a draft or money order is where the real profit lies; and it may be that the banks, in seeking for the profit from the sale of exchange, instead of making their customers' checks available everywhere, or possibly going further and furnishing exchange free to everybody whether depositors or not, as is done in some foreign countries, have been like the dog crossing the stream and grasping at the shadow of the bone in his mouth.

The question of greatest moment would seem to be to find that policy that will most surely attract the largest amount of money into the banks, thus increasing the volume of loanable funds. To put a tax on country checks or to devise a means of getting as big a profit as possible from selling exchange, may not be the best way to achieve this result. It is of course only right that the banks should contend for the profits from the money-order business now made by the post office and the express companies. But the problem seems to be larger than this. It involves the whole subject of checks and drafts and the profits to be obtained from increasing the service which the banks render to the community. The country check problem, which has been dealt with in such different ways, is far from any definite settlement. An interesting discussion of the subject took place at the recent annual convention of delegates from the various chapters of the American Institute of Bank Clerks. We reprint this discussion in full in another part of this issue of the MAGAZINE.

THE BANK MONEY ORDER was one of the important topics under discussion at the convention in San Francisco. The successful development of bank money orders would undoubtedly add to the profits of the banks a large proportion of the profits now obtained by the Government postal service and the express companies.

The address of L P. HILLYER was a most suggestive one, pointing out the real difficulties that lie in the way of success. The main obstacle to the successful acquisition by the banks of the money-order business, now so efficiently carried on by the post office and the express companies, is the same that has prevented the issue of an asset or credit currency, and it is the lack of association and affiliation among the independent banks which have been developed under the free banking laws of the United States. If Mr. HILLYER'S address does not distinctly specify the conditions to which every bank in the country would have to conform in its relations with other banks, in order to make a bank money order as acceptable to the public as the money orders issued by the post office and the express companies, his address is nevertheless most suggestive.

The man who now goes to the post office or the express company for an order does so because he has reason to have perfect confidence that when the order reaches its destination it will be cashed at par. Moreover, the places where he can procure these orders are conveniently situated and are to be found at points where there are no banks. Probably to persons desiring to transmit money, by money order, the post office is the most convenient when location alone is considered. That is, on an average a post office can be found within the shortest distance, or at least post offices can be found in places without express offices or banks. In this respect the express office has the same advantage over a bank that the post office has over the express office.

The banks to place bank money orders on the same footing with those of the express and post offices must have some arrangement by which an order obtained at one bank will be paid by any other bank throughout the United States located in or near the place where the money is to be sent. Several of the State associations have started arrangements for the mutual recognition of bank orders sold by their members. But these efforts, it would seem from Mr. HILLYER'S remarks, have proved too local. The orders do not recommend themselves to the public as equally convenient with express and post office orders for universal remittance.

A resolution was adopted by the convention that the American Bankers' Association adopt a bank money order system, and that the president appoint a committee of five to devise a plan by which members can be furnished with uniform bank money orders and proper advertising matter in accordance therewith. The report of this committee is to be made to the executive council, and the council is empowered and requested to authorize such expenditures as is proper to enable the committee to carry out its recommendations.

The effect of the passage of this resolution, which before presentation to the convention appears to have had the approval of the executive council, seems to be to commit the association to introduce a money-order system among the members and to pay whatever expenses are necessary to do so. This may be found to be a larger contract than appears on its face, and may add very appreciably to the already great expenditures of the association. Great care will be necessary to avoid what Mr. HILLYER styles wildcat orders, and it is difficult to see how instances of this kind can be prevented, except by the adoption of some system of guaranty, generally participated in by all the members, to assure the payment on presentation by any member of an order drawn by any other. Mere membership in the association is not necessarily an assurance of the solvency of the bank or banker. On payment of ten dollars, since the increase of dues, anything calling itself a bank, or any person calling himself a banker, can become a member. The association makes no examination of the affairs of its members, nor has it had, heretofore, any occasion for doing so. But if all the members join to guarantee the payment of an order drawn by any member, it does not take a conjurer to foresee that considerable machinery will be necessary to enable the association both to assure itself of the solvency of its members, and to impose and collect a suitable guaranty fund. Moreover, there is the question as to how the profits are to be divided. The members who sell the orders, which are to be paid without discount by any other member, are certainly not entitled to the whole profit.

This should be pooled and divided among all who lend their assistance to sustain the credit of these money orders and who contribute to the guaranty fund. What amount of accounting machinery this distribution of profits will require will probably have to be considered by the committee.

It is easily conceivable that unless proper precautions are taken, the money-order business may be made a vehicle for sharp practice. A man without the fear of man or God before him may allege he is a banker, pay ten dollars to the association, subscribe to a guaranty fund, and proceed to sell money orders at advantageous points, and so obtain considerable money under false pretenses. If such fraudulent orders are not paid, away goes public confidence in bank money orders. If they are paid, losses are entailed on the members of the association.

The amount annually gained as profit by the post office and the express companies is estimated by Mr. HILLYER from official returns to be $3,000,000. This is a very respectable fund to be added to the profits of the banks. If the plan can be successfully worked out by the association, the expenses incurred could very justly be reimbursed to the association from the profits of the business, as well as the expenses of the bureau, for the oversight which would have to be maintained over the system by the association. Probably the scheme would not be beyond the powers of the association as laid down in its constitution. It would no doubt come under the general object of the association, to advance banking interests. Before going into it the magnitude of the undertaking should be well considered. It is not, as might appear from the resolution, a mere matter of furnishing blanks and advertising matter. No one can fully see in advance what might develop from placing the association in this particular matter in the position of guardian of the credit of seven thousand members, with the probability, if the plan worked successfully, of attracting practically all the banks and bankers of the country into the membership. The bureau of the association might, as its activities developed, come to occupy a position of supervision over all the banks of the country, somewhat analogous to that of the Comptroller of the Currency over the National banks. But instead of being backed by special law powers, as is the Comptroller, the association would be enabled to enforce its rules only by appealing to the self-interest of the banks. It might be difficult to maintain its authority. If experience should prove that the independent banks throughout the country could thus be welded together by a common interest of this kind, other improvements in the banking business which now seem impossible of attainment might be brought within the bounds of possibility.

Although the initial step has been taken by the adoption of this resolution giving practically a power to the committee only limited by the funds the executive council deems best to allow them, it is most probable that this committee will shrink from committing the association to the performance of such far-reaching and novel functions as the introduction of a satisfactory system of bank money orders entails. Success is not impossible, but it involves great effort, and it is not likely that the necessary effort will be made by a committee of bankers, each of whom is no doubt fully occupied with the affairs of his own bank. The only possibility of success lies in inaugurating a system of machinery, and placing it in the hands of suitable men who can devote their whole time to the necessary work.

THE COMMITTEE APPOINTED by the executive council of the American Bankers' Association to revise the dues paid by the members, reported in favor of an increase in the dues, which on the basis of the present membership will add about $35,000 to the revenues of the association. The report was approved by the executive council and ratified by the convention.

The reason given for this increase was that during the previous year the income had been a little over $70,000, and the expense account over $90,000, a deficit of about $20,000. The committee thought that unless the work of the protective committee were curtailed, this increase of dues was required, and that the protective committee had shown such practical results, and the work being done is such a striking feature of the association, that the logical duty of the committee was to frame a plan for an equitable increase of income.

In regard to the protective feature of the association there can be no possible disagreement with the conclusion of the committee. As to the increase made, there is little doubt that it is equitable. Heretofore private bankers, brokers and banking firms, and banks and trust companies with a capital and surplus of less than $50,000 have paid $5 per annum. Last year there were nearly three thousand (2,944) of this class included in a membership of 7,065, or closely approaching one-half of all the members. The dues of this class have been doubled, and perhaps this, although a proportional increase has been made in the dues of banks with larger capital, may seem to bear too harshly on these smaller institutions, and that it might have an effect in causing many of them to discontinue their membership. When a previous increase of dues was made, in 1895, if our recollection serves, the dues of these smaller institutions were not increased, while those of the larger institutions were. This had the effect of enabling the small banks to avail themselves of the protective feature of the association at a very low rate. Moreover, these small banks were those peculiarly exposed to the operations of burglars, not being so able to afford the most expensive appliances for protecting their cash.

The last report of the protective committee indicates that the check-raiser, forgers and confidence men who are more apt to take the larger banks for their prey, have been almost eliminated by the operations of the protective committee. On the other hand, the class of petty burglars known in thieves' talk as "yeggmen," seem, like the fleas of Egypt, to have overspread the land, and the smaller country banks have in most cases been their easy victims.

The protective committee having, temporarily at least, and it is to be hoped for some time to come, laid down their heavy guns from the lack of large game, have now taken up the shotgun, more appropriate to the work of suppressing the small but more numerous depredators. The territory to be protected is greater, and the ammunition expended in this scattering warfare will probably be more expensive. It will be the smaller banks who will receive the greater part of the benefit, and therefore they have no great reason to grumble at some increase in the annual charge they pay, which even at ten dollars, if there were no other advantage from belonging to the association than the protection it thus gives, would be very small.

In this connection there is room for speculation as to what will take place when, through the efforts of the protective committee, and the improvement in safes and vaults, the whole criminal class that preys on banks is suppressed. Already we have the information that even the yeggmen respect the sign that points out a bank as a member of the association. Banks that lose or neglect to display their signs are robbed; other banks that properly keep them in sight are let alone. It will be a matter of some curiosity to note a gradual reduction in the amounts paid to detectives, as the criminal classes are gradually suppressed. It is said that in countries where a bounty is offered for the suppression of wolves, much ingenuity sometimes has to be exercised lest the breed of wolves become extinct. But there is hardly any hope that the yeggman will like the dodo entirely disappear as long as he has seven or eight thousand banks outside of those belonging to the association upon which to develop and exercise his skill.

On examining the report of the treasurer of the association it will be noticed that the expenditures of the year were $85,539.33, and that $38,199.65 of this was expenses of the protective committee. There is left $47,339.68. Little can be learned from the detailed items of which this account is made up, except that the business of the association seems to be conducted on a scale worthy of the dignity of the institution. The two main items are the expenses of the educational committee, $7,693.92, and salaries, $15,656.75. This latter amount is larger than the whole annual dues reported as collected during the year 1895. The average paid by each member in that year was about eight dollars ($8.25). Last year, with 7,065 members, the average paid by each member was nearly eleven dollars ($10.83). It might naturally be supposed that as the membership increased, the expense to each member would be cheapened. Apart from the protective feature, there seems to be no very good reason why the work of the association should be more arduous or expensive than it was in 1895. Although some work in new directions has been undertaken, yet an income six times as large as it was in 1895, anyone might be led to think, would be sufficient for such new work as is reported.

In increasing the dues at this time it is to be feared that many will think the executive council has not acted with its usual wisdom, especially as the burden will be most severely felt by the small banks which make up close to half of the membership of the association. While everyone will agree with the committee that the protective fund should not be curtailed, it is at least open to speculation that with the present dues there would be no necessity for this, if economy in other directions were carefully practiced.

THE MEETING OF THE AMERICAN BANKERS' ASSOCIATION at San Francisco was distinguished by the large number of delegates in attendance and the importance of the business brought before the convention. Perhaps the most important matter discussed was the report of the committee on fidelity insurance. This report embodied a plan for the taking up by the association of the insurance and bonding of officers and employees of banks through the agency of the association. To effect this an amendment to the constitution was recommended. The report and recommendation of the committee, as is usual, were referred to the executive council, but the council, by a vote of twelve to eight, was adverse to the change in the policy of the association which the adoption of the recommendations of the committee would necessitate. When the matter came before the convention, where a two-thirds vote of the delegates present is required to secure the adoption of a constitutional amendment, the proposition was rejected by a vote of 133 to 98. The majority of the delegates who voted were in favor of adopting the plan of the committee, but not a sufficient majority.

Apart from the merits of this particular question, it is doubtful whether the real sense of the delegates was expressed by this vote. There is apparently no provision in the constitution of the association defining what number of delegates in attendance at any annual convention shall constitute a quorum. The founders of the association did not, as has often before been remarked, intend that these annual conventions should be voting machines. In fact, it would be very difficult to make them so and have them fairly represent the great body of bankers composing the association. The secretary's report showed a paid membership of 7,065 banks. The number of delegates registered showed that only 751, or about one-tenth of the membership banks, sent delegates. On the question of fidelity insurance only 231 of these delegates voted—less than one-third. Nothing can be clearer than these figures to show that, under the present constitution of the association, it is simply a matter of chance whether a measure shaping the future policy of the association will pass or not. It may be one of the utmost importance and of the greatest advantage, or it may be of the most unwise and destructive nature. Only one-third of the delegates in the above instance cared enough about the matter in question even to be present when it was considered and vote for or against.

It is evident that the great body of delegates are perfectly willing to trust the decision of important matters touching the life and welfare of the association to the executive council. This is as it should be, not only because it is in accordance with the designs of the founders of the association as embodied in the constitution, but also because this is the only way an association of which all the bankers in the United States are potentially members can be effectually governed. This becomes more evident as the association grows and approaches to its ideal of including all the bankers within the territory of the United States in its membership. The larger the number of members the smaller will be the proportion of those who send delegates to any one convention to the whole number that could send delegates.

An association of bankers should undoubtedly be conducted on banking principles. The executive council, with its force of secretaries and clerks, corresponds to the directorate of a bank. The individual banks members of the association are analogous to the stockholders, in that it is in their power to control the executive council by electing its members. Those who have viewed the annual conventions as being of the nature of a legislative body have not thoroughly understood the principles on which the success of such an association must rest. If members of the association are dissatisfied, the proper course for them to pursue, apart from discontinuing their membership, is to use their influence to elect members of the council who will manage affairs in accordance with their wishes. The executive council is not infallible, and even when it uses the best of judgment cannot expect to be above criticism. It is not within our province to point out at this time the defects in the constitution and management of this body.

In this instance the decision of the council against the taking up by the association of the fidelity insurance business was assuredly right. The association would be very unwise to set itself up as the competitor of any of the institutions upon which it depends for its membership. By taking up fidelity insurance business and competing with the present guarantee companies, it in reality does this very thing. In principle it is the same as if the association should start a large bank in New York city to act as the correspondent of its members. The association ought not by any course of action arouse the hostility of any class of established institutions which might be used to antagonize its growth along legitimate lines.

Some years ago the association very wisely abandoned the printing of advertisements in its various publications, because the legitimate banking publications regarded this as an infringement on their sources of revenue. These publications, or many of them, naturally exerted their influence with the banks to make them dissatisfied with the association, and the growth of the latter was undoubtedly greatly retarded by this influence. For the same reason it would not be wise for the executive council to publish a weekly or monthly or quarterly paper or magazine. The hostility of the present guarantee companies is much more to be dreaded than that of the banking publications, because in undertaking the guarantee business the association would lay itself liable to mischances that could very easily be used to discredit its operation.

That the present guarantee companies very justly regarded the plan of the committee if adopted as dangerous to their business, was plainly manifested in the convention. In the protective line the association has done good work and advanced its interests, because it has not antagonized but encouraged and given support to the existing agencies for the detection and prosecution of criminals. The same may be said of the educational feature of the association, of its labors to secure uniform laws in respect to negotiable paper, and of its efforts to improve the currency. All these activities are such as lie outside of the sphere of ordinary private enterprise and are obviously beneficial to the financial institutions of the whole country. In initiating new work for the association this principle of avoiding the appearance of antagonizing the business of the institutions eligible to its membership should always be kept in view. If this had been done, the committee having the question of fidelity insurance under consideration would never have been permitted to go so far as to present such a report. It was proper enough for this committee to consider the manner in which this business was carried on so as to arrive at good forms of guaranty, and to obtain a just average of rates. But the committee went too far when it recommended placing the association in the position of an actual competitor of the guarantee companies already in business.

THE SPECIAL CURRENCY COMMITTEE appointed at the convention of the American Bankers' Association in New Orleans last year submitted its report to the convention in San Francisco, after the report had been approved by the executive council. The report confined itself to three definite recommendations, and to a general statement. The recommendations were that the funds of the Government should be deposited with the banks, whether such funds were derived from internal revenue or customs; that the limit of retirement of National bank notes to three millions of dollars per month should be removed, and that an emergency circulation, subject to a tax of six per cent. should be issued upon securities deposited with and approved by the Secretary of the Treasury. The report concludes by refusing to recommend any steps that would tend towards a return to the miscellaneous currency which prevailed before the war, or any step which will disregard the history of finance among the commercial nations of the world, or the issue of any note not redeemable in standard coin of the United States.

It will be seen from this that the committee confined itself very closely to what Secretary SHAW styled axioms. It is remarkable that such a colorless report should arouse any debate at all in the convention. Evidently some of the delegates were disappointed with a committee appointed with such a flourish at New Orleans, and that was expected to prepare an elaborate treatise on the various currency plans which have been subjected to the test of experience, pointing out the virtues and defects of each, and finally concocting from the mass a plan which might be safely applied to our present financial conditions with a reasonable hope of acceptance and successful operation. These delegates seemed to feel that their committee had shrunk from the task, and that the trite and platitudinous report presented was the measure of their fears or their indolence.

To the disinterested spectator it appears that the committee ought not to be blamed for refusing to meet the extravagant expectations which were formed in regard to their labors. In fact, that they should have neglected so tempting an opportunity to make a high-sounding and wearisome resume of the debris of the currency arguments which have been before the public for the past quarter of a century, is very much to their credit.

The recommendation for an emergency currency, spoken of above as an axiom, is only an axiom in the sense that everybody seems to agree that there should be some way to supply currency in emergencies. The way in which it should be done has by no means been agreed to, and the method hinted at in general terms by the committee was criticized in the convention; nor was there any better way pointed out by the critics than the issue of the emergency currency by the clearing-houses. After voting down an attempt to return the report to the committee for greater elaboration, with instructions to watch such currency legislation as might come up in Congress in conjunction with similar committees appointed by the State bankers' associations, the convention adopted the committee's report.

One thing is plain by this time, and that is that the conventions of the American Bankers' Association afford no opportunity for any thorough and exhaustive discussion of a question in which debate may take such wide range as it necessarily must in regard to the currency. A session of an hour or two is entirely inadequate for even an amicable interchange of opinion. But even if there had been full opportunity for an extended debate, it is highly improbable that it would have had any result tending to edification.

If Congress can not or will not legislate in order to bring about the relief from the periodical changes in rates so much dreaded by bankers, bankers will have to learn to adapt themselves to existing conditions. They should not do business in a way that exposes them to danger from sudden fluctuations. It is probable that the best bankers take this view of the matter, and do not allow themselves to be carried helplessly on the so-called tide of prosperity with the vague hope that when difficulties arise the Government, Congress, or the clearing-houses will, in some miraculous way, help them out of disaster.

It would, of course, be very convenient if an emergency currency could be obtained on securities which are not sufficiently attractive to draw ordinary currency from its hiding place in time of panic. But all experience points to the fact that such a currency is more or less an iridiscent dream. Even the clearing-house certificates used in previous panics, as their real operation becomes better understood, while they may save the face (as the Chinese say) of the banks, do not really meet the demands of the public. In fact, the best authorities recognize that the taking out of clearing-house certificates is a covert or disguised suspension. An emergency circulation issued to banks by the Government on securities which are otherwise inconvertible into cash, is merely a loan of Government credit.

The cause of the recurrence of stringent markets is as much the manner of doing business by the banks of the country as it is the fault of the currency. If the banks used their reserves and made their loans with a due regard to the cash demands liable to be made upon them, not only in the best but in the worst of times, and abandoned vague dreams of the possibility of the Government or the clearing houses helping them out, they would never need such help. It is the feeling that in some way help will come when needed that induces bankers to extend themselves until they are beyond help.

The present temptation of profit is yielded to without regard to the possible future.

Before the war, when the country had the miscellaneous currency referred to by the committee, the banks also had the power when emergencies arose to issue notes without limit, but this power never saved them. They met the demands of depositors perhaps, but fell before the demands of their note holders.

It is believed that the knowledge that the currency of the country is an amount fairly fixed, and that it can only be increased by the natural increase of the stock of gold, will render the bankers of this country more and more safe and conservative in their methods of business. Their conservatism will communicate itself to the business public and even to speculators.

There is as great a fallacy in the belief that wealth can in the long run be acquired by some magical financial combination as there ever was in the belief in free silver. The recent craze for speculative profits was of exactly the same nature as the craze about the 16 to 1 silver coinage or the greenback craze. The only way to cure a financial heresy when it has once gained headway is by letting it run its course.

The silver heresy was cured by the panic of 1893, and the consequent stoppage of silver purchases. After the panic of 1893 there were some who recommended more silver, just as now more currency is called for as a remedy for over-speculation. No doubt the first symptoms of 1893 might have been averted by the free coinage of silver, but the last state of the country would have been worse than the first.

If Congress this winter opens a way for currency issues to any great extent, a revival of the speculation now so much deplored would follow, and might proceed to a point beyond remedy.

THE ADVANTAGES OF THE AMERICAN SYSTEM of free and independent banks in keeping up a natural and wholesome competition are very great to the business public. But, as has been conclusively shown by the history of banking before the war, there comes a point at which the powers granted to these independent banks must be restricted. Theoretically the bank note is in principle of the same nature as a credit on the bank's books; in other words, as a deposit account; that is to the bank. The statement has been made that it would be indifferent to the banks whether their credits were in the form of deposits or circulating notes. But in practice the circulating bank note form of credit has always proved liable to abuses from which the deposit credit is almost free. Since the war banks have gone into the discount and deposit business, with hardly any special legal restrictions, and there has been comparatively little abuse. In the public mind a check is always distinguished from real money. A person who takes a check in payment knows that it is not money, until it is paid or accepted. But a bank circulating note, although it is merely the bank's check drawn on itself, has the occult quality of making the public forget that it is merely credit, and passes as if it were money. It is this innate power of concealment of its true nature that makes the circulating note a more dangerous form of bank credit than the check. The life of a check is so short that a bank can take no liberties with the reserves of cash it must keep to insure its payment. Checks require no special machinery to insure their presentation for redemption. Circulating notes without organized methods of securing redemption might pass from hand to hand until they were worn out. The Suffolk banking system is an instance of the form of organization for securing the redemption of bank notes, to protect the public from the banks and the banks from each other. With the circulating note each bank is tempted to force as much of its credit as it possibly can upon the public and its unwilling competitors in the banking business. In order to understand fully the effect even of a restricted asset currency it is necessary to consider what would happen if the United States banking law should remove all restrictions on the issue of circulating notes by National banks, and make them as free to extend credit by notes as they now are to extend their deposit accounts. With no special provision for redemption, every bank would have to protect itself and probably machinery for redemption would be inaugurated by bank combinations greatly superior in its scope and system to the Suffolk system.

There is reason to believe that whatever the expense incurred the banks would protect themselves, and in course of time and to a certain extent this protection would be enjoyed by the business public. But with such a system of redemption perfected, the banks would find little profit in circulating notes, and perhaps might discover that they were a much more expensive form of extending credit than a deposit account, in that the notes would cost more than checks, and in that the reserves kept to properly protect them would be much greater. Under a rigid and strict system of redemptions it is probable that the banks would very seldom use their note-issuing function. It would be more difficult for the Comptroller of the Currency to prevent fraudulent issues. It is in fraudulent issues that the great danger to the public consists and to a less extent to the banks.

All the advocates of an asset currency insist on efficient means of redemption, but no one of them has as yet described any method which recommends itself as likely to prove feasible.

PAYMENTS ON ACCOUNT OF THE PANAMA CANAL.

The events taking place at Panama, while interesting politically and from a diplomatic standpoint, will also be closely watched from a financial standpoint. The construction of an oceanic canal by the Government of the United States is a great undertaking, involving an effort almost equal in magnitude to carrying on a war. It has been estimated that the cost of completing a canal over either the Panama or the Nicaragua route will be in the neighborhood of two hundred millions of dollars. Nor can an estimate of this sort in regard to an undertaking of so peculiar a character, where unexpected difficulties both physical and moral are almost sure to arise, be accepted as absolutely precluding the possibility of a much greater expenditure of money before the canal can be completed and operated. Even two hundred millions is a great investment for the Government to make, especially when there is absolutely no certainty that the canal will for a long time return any interest on the investment. Of course, the majority of the people of the country, guided by what they have learned about the commercial and strategic advantages which it is generally alleged will result from the quick passage of vessels of all kinds from ocean to ocean, seem to have concluded that somehow the canal will be a paying public work, and that the greatness and prosperity and tax-paying power of the nation will be augmented by it. No one would want the Government to waste its powers on a scheme which did not promise to be a general betterment.

Apart, however, from the ultimate returns to be expected in the future, the interest of the country rests more immediately upon the effects which so great an undertaking will have upon the business and monetary condition of the business public while the canal is in process of construction. At present it is far from certain when this construction will become an assured fact. Without expressing any opinion as to the diplomatic conditions which still surround the subject and the degree of legislation that may yet be necessary, it is sufficient to say that at present the probabilities seem to be in favor of the belief that the canal project in some form will be realized. At least it is sufficiently imminent to cause bankers and financiers to have it in mind in all their calculations and enterprises for the future. Every one knows how the prospect of war, with its demand for material supplies, either enhances or depresses business activity, and this great undertaking must have effects of the same kind.

If affairs with either Panama or Colombia are satisfactorily settled, there comes first the effect of the payment of forty millions to the French company and the payment of other millions to the government whether that of Colombia or of the new Republic of Panama, whichever the deal is eventually concluded with. All the past summer while the financial world was expecting from day to day the ratification of the Hay-Herran treaty by the Colombian authorities, a watchful eye has been kept on the means which would be taken to transmit the forty millions of gold to France to say nothing of the ten or more millions to Colombia. It was customary to say early in the season, before the great stock panic, that this could be done without causing a ripple in the money market. Optimistic views of the financial strength of the money markets then prevailed, and suggestions that it would be better to provide for the French payment by a bond issue than to attempt to withdraw so large a sum from our gold stock were scouted at. Since then, to say the least, our money markets have had a shock, and at the present time financiers are looking eagerly for supplies of gold from abroad to relieve the pressure at the great money centre.

Suppose all legislative and diplomatic preliminaries were satisfactorily settled, and the forty millions became at once due and payable to the French company, could this payment be made in gold withdrawn from the stock on which the currency of the country is based, without causing serious effects in the money market? Nor is it probable that conditions will so improve as to make it possible to spare so much gold without any chance of replacing it, for several months to come.

On the other hand, if the payment be made by a bond issue, even if the bonds are immediately returned to the country and sold for gold, it would be possible to replace the gold by an issue of National bank notes based on these bonds.

The uncertainty of what method will be pursued, and the doubt whether or not any will become necessary, hangs over the money market and unsettles men's minds in regard to what steps they shall take in their ordinary business.

But this is merely a preliminary. After the United States has acquired the free possession of the territory and rights involved, then comes the construction of the canal. There are now $200,000,000 two per cent. bonds to be issued. Every one must understand by this time that these bonds could not be marketed at par were it not for the provision that they may be used as a basis for bank currency. With such an issue more or less imminent, what prospect is there that any plan for changing the principle upon which our bank currency is now founded will or ought to receive serious consideration? Asset currency and emergency currency excite little interest so long as there is a near prospect that the base of our present bank currency may be extended by perhaps, including the French and other payments, with the bonds issued for the cost of the canal, $250,000,000. If these bonds were marketed all at once, there would be a greater increase of National bank currency than has taken place since 1900. But here uncertainty again prevails. How fast will these bonds be marketed? If the payments to the French company and the indemnity to Panama are provided for by bonds, these bonds, together with those necessary to start construction, may amount to $100,000,000, subsequent issues being made as necessary. If the payments for franchises and territorial rights are made in gold taken from the general circulation, then to preserve just the *status quo*, by replacing the gold with National bank circulation, the Government should issue at least $50,000,000.

It can easily be seen, from the foregoing considerations, how Congress and the Administration, in preparing for the construction of the canal and in the actual construction, have it in their power to dominate the currency of the country. They may by free issues cause an inflation to which the inflation succeeding the act of 1900 will appear a trifle. They may dole out the bonds just as fast as is necessary to preserve the *status quo*, or by injudicious attempts to pay the French company in gold they can even cause a serious stringency in the money market.

While every one no doubt has great confidence in the wisdom and high-mindedness of the present Administration, reflection at once convinces that the construction of the canal places in the hands of Congress, and of the Administration that carries out the decrees of Congress, a power either for good or evil seldom entrusted to any previous Administration. This undertaking has been compared to a war. In carrying on a war an Administration is exposed to chances and risks which, in the judgment of reasonable men, excuses it for a certain degree of loss and disaster which have to be borne by the general public. Chance enters largely into the successful conduct of a war. But the construction of a canal is more like a game of pure skill, in which the participant can be justly blamed if things go wrong. It can then be seen how intimately the financing of the canal is connected with the general monetary condition of the country and how the latter may be unduly elevated or unduly depressed, or kept in demoralizing suspense, according to the course and management of events which have to do with what may be styled simply preliminary. But when the question of the furnishing and transportation of materials is taken up, there is a still broader field for speculation as to the effect of the construction of the canal upon the financial prosperity of the country during the next few years. Already the contractors throughout the country are figuring on the possible chances for profit in taking parts of this national job. The demand for material and machinery of all suitable kinds will be very great, and there is little doubt that there will be full opportunity for testing the practical skill of American engineers and contractors. A large share of the money spent on the construction will come to this country, and the demands for various kinds of material must have an appreciable effect upon the appropriate manufacturing interests.

Whenever a great undertaking, like the construction of this canal or a war, seems to be imminent, the period of suspense previous to the arrival at certainty is one of doubt and hesitation in regard to ordinary enterprises. Just as anticipated changes of tariff by Congress are said to give pause to the interests that may be affected, so this great canal scheme hanging in the near future, but still more or less uncertain, throws a shadow more or less dark over the sun of confidence. It is to be hoped that the question may be settled quickly one way or the other. The importance of the canal may have been exaggerated, and it may make little difference whether it be constructed or not; but if it is to be constructed, the sooner the work is commenced the better for the whole country.

BANK WANTED IN HONDURAS.—An excellent opportunity exists for the establishment in Tegucigalpa of a bank run on a fair business basis. In the quarter ended December 31, 1902, the receipts from exchange amounted to 1,937 pesos ($743); from interest and discounts, to 42,364 pesos ($16,268); from commissions on various deals, to 2,296 pesos ($882) —making a total of 46,597 pesos ($17,893). The disbursements during the same quarter were to the amount of 12,644 pesos ($4,855), leaving a net profit to the bank of 33,953 pesos ($13,038) in three months. Few towns of 12,000 inhabitants in the United States can show a better balance for three months' business. Interest on loans is calculated at two per cent. per month, the interest compounding from month to month.—*Alfred K. Moe, Consul, Tegucigalpa, Honduras.*

THE RELATIONS OF LABOR AND CAPITAL.

[In the opinion of many bankers and others the present relations between labor and capital are a menace to the continued prosperity of the country. Believing that a full discussion of the subject will tend to a right settlement of existing difficulties, THE BANKERS' MAGAZINE has secured a number of special articles from the representatives of both sides of the controversy. The first article, published in the November issue of the MAGAZINE, was contributed by David M. Parry, President of the National Association of Manufacturers: also President of the Citizens' Industrial Association of America, recently organized. We present in this issue the views of Samuel Gompers, President of the American Federation of Labor. Subsequent papers will state the views of labor leaders and others.]

THE POSITION OF ORGANIZED LABOR.

BY SAMUEL GOMPERS, PRESIDENT AMERICAN FEDERATION OF LABOR.

We have for years advocated, and shall continue to advocate, without the slightest fear, the right of labor—nay, the duty of labor—to withdraw its patronage and favor from its enemies, and to bestow them on its friends. In other words, we insist upon the right, legality, and morality of peaceable boycotting.

No man, we hold, can compel another to trade with him, to have friendly intercourse with him, or to confer benefits upon him.

We have a right to choose our tailor, grocer, butcher, shoemaker, etc. We do not think any court in the United States will deny these propositions.

Further, we assert that, what each individual member of a trade union may legally do, the union as a body may legally do.

Organized labor has no quarrel with the law. It does not approve of violence and disorder. It relies on purely economic means; on the strength there is in solidarity, co-operation, and unity.

We do not apologize for the errors and excesses of certain raw unionists, but we insist that, like all other movements, parties, and organizations, union labor shall be judged by its best elements.

The Republican party would not like to be judged by the indicted and unindicted rascals of the Post Office Department.

The Democratic party would object to be judged by its convicted adherents in Missouri or elsewhere.

Corporate industry would protest against sweeping assaults based on the fraudulent practices of wild and vicious gamblers in inflated stocks.

Organized labor is persistently judged by the excrescences of its great movement. But its bitter enemies are wasting their energies and their money.

The unions will not be disrupted. Slander, Parryism, and wholesale denunciation are of no avail.

Government by injunction has failed miserably. Though it has been carried to alarming extremes, it has not checked the growth of unionism. The damage-suit weapon threatens mischief; but it will not destroy unionism. It may even prove a boomerang.

Do the worst elements in capitalism want a class struggle in the United States? Is it their purpose to convince labor that they control the courts, and can manipulate the law at their will? The gentry who are instigating judicial usurpation, who set at naught all law and all precedent when their selfish interests for the moment require it are constantly prating about "law and order?"

Industrial Activity and Reaction.

There are indications that the era of industrial activity which we have enjoyed during the past few years has reached its floodtide, in that there is now somewhat of a reaction. Already we see some contraction of industry by which workmen have been rendered idle. It is true that the change is not pronounced, but it is sufficiently evident for notice and deserves consideration. More especially should this receive our attention since quite recently, acting upon the cue given by our most pronounced antagonists, the capitalist press has endeavored to place upon our movement the responsibility for the industrial reaction. That the charge is untrue is fully capable of proof. But attention is called to the fact that when the reaction first made itself manifest one of the great newspapers of our country questioned the representative employers, business men, and financiers of America to make answer as to what in their judgment was its cause. Without attempting to enumerate the causes assigned by them for the industrial reaction, it is worthy of note that under the first impulse of honest expression of opinion, before the minds of any of them were perverted by those who always desire to shirk upon the shoulders of others the wrongs or the errors of which they themselves are guilty, I repeat, with unprejudiced and unperverted mind, not one among the thousands who answered held organized labor in the least responsible.

Of course, to the thinking, observing men the insinuation or charge will have no effect. We understand, as every student and intelligent trade unionist understands, that under our present economic system periods of industrial activity and stagnation are equally natural. That a reaction did not set in sooner, or that it has not become acute, is due more than any other cause to the organized labor movement.

Our movement has increased wages, shortened the hours of labor, and otherwise improved the conditions of the toilers; in other words, has made the workers greater consumers of the things that have been produced; and to this factor, supplemented by some organized method among intelligent employers, is due entirely the credit rather than the censure or blame.

The era of industrial activity has been maintained and prolonged for a longer period than any similar revival in the last forty years, while its reaction has thus far been attended with less severity and is in itself less intense than similar reactions heretofore. These industrial conditions are not due to any particular phenomenon. They have their cause and effect exactly as have the tides, attraction and repulsion, and the law of gravitation.

In countries where the economic conditions of the workers remain stationary or substantially so, the greatest degree of poverty and misery always obtains, while, at the same time, industry and commerce know no progress, and are carried on under primitive conditions. Of course this is not cited as an indication that more improved conditions than even ours can not obtain when a normal and better economic life shall have been inaugurated, but it rather demonstrates the fact that industrial and commercial reaction can not by any specious argument be traced to the movement that tends to increase the consuming power of the wage-earners.

As a matter of fact, the greater the power of consumption of the great mass of workers, the larger their wants, the higher is their standard of life, the greater the degree of industrial and commercial prosperity. Indeed, the constant growth in the wants and demands of the masses gives to industry and commerce an impetus and progress they can receive in no other way.

At this time it is difficult to foresee the extent to which the industrial reaction may reach, although it is quite evident that, for the reasons already stated, it is not likely to become so prolonged or so intense as previous industrial stagnations or crises. Yet it is well for us to view the situation as it is, and as it may become, and to consider calmly the course which we should pursue to meet it. To do this intelligently it will be helpful to consider the policy pursued by employers during similar periods in the past, a policy which here and there is now advocated; a policy which has proven not only injurious but perversive of the very purpose for which it was inaugurated. I refer to the policy of reducing wages as a means to tide over, or to emerge from, industrial depression. In the past this has been restored to, and, owing to the comparative lack of organization among the working people and also their comparative inability to resist, they were compelled to accept it, with the result that their consuming power was lessened, throwing still more workmen out of employment, rendering the situation still more acute, and thus still further prolonging the period of the crisis.

It is the height of economic unwisdom to curtail the consuming power of the masses as a means to industrial revival of prosperity.

No industry, no country, has ever become great, or ever can become great, founded upon the poverty of its workers.

While I do not know to what extent our declarations and suggestions may influence employers generally in the effort to dissuade them from pursuing the unwise and uneconomic fallacy of wage reductions, yet a clear sense of duty must prompt us to make our position upon this question clear and comprehensive. If we shall fail to convince them as to the course which they should, or rather the course which they should not, pursue in regard to the effort to reduce wages, we will at least have the consciousness of having done our duty in the premises, and so to shape our own course as will meet the situation emphatically and unmistakably.

The working people should resist any attempt to reduce their wages or to increase their hours of labor.

We are better organized and better prepared to resist encroachments upon our condition than ever before; and, if perchance some of our efforts may be lost, it is better to resist and lose than not to resist at all; for to complacently accept a reduction in wages is simply to invite its repetition while it enfeebles our ability to resist further efforts in the same direction.

In former periods of industrial stagnation employers often accompanied their wage reductions with discharges of some workmen, and then, as an inducement to those retained, suggested that they increase their hours of labor to, as they put it, "make up the loss." In other words, those discharged, being a menace both to the conditions of employment, as well as to the employment itself, were utilized as a means to further reduce wages and impose more onerous conditions, while the increased hours of labor of those employed further accentuated and made acute the industrial situation.

Surely, it is not rational to suggest, for the relief of an over-stocked or glutted market, that the workers shall curtail their power of consumption and then work longer hours to increase production. I submit that the policy of the labor movement is wiser and has in it the means to the sooner restore industrial activity and bring about its revival.

We urge as a way out that wages be maintained, even if necessary, to resist reductions; that as a substitute for discharges of workmen, the work to be performed be divided, thus not only helping to bear each others' burdens, but more quickly to restore activity in industry, trade, and commerce.

STRIKES AND FUNDS AS A PREVENTATIVE.

During the past year a considerable number of strikes occurred. From reports made and compiled, it will be observed that the gains achieved in the interests of our fellow workers were considerable—advances in wages, reductions in hours of labor, and improvements in other respects—and that but comparatively few of the strikes inaugurated were defeated in the objects sought. Much of the expenditures reported because of strikes was made during last year. It will be observed, too, that many organizations have gained large advantages while they have expended infinitesimally small amounts.

More strikes are avoided and averted by thorough organization and preparation for them than by any other known means.

There is a most erroneous impression prevalent regarding losses occasioned by strikes. Of course, it is true that a strike involves the loss of work and wages for the time being, but there has not one strike occurred but it has been followed by greater activity in the trade. In other words, the time for the performance of the work and the payment of the wages has been deferred; that is, that the stoppage in the trade has been made to suit the convenience and the purpose of the workmen, rather than the convenience and purpose of the employer.

A strike involving wages, hours, and other conditions of employment, even if temporarily defeated in the attainment of the immediate purpose, has always checked greater invasion on the part of the employers, or has paved the way for the ultimate achievement of the object sought by the workmen.

Taking the strike as an economic or social factor, it has never lost. For men contending against deterioration or for improvement, if, say, they lose the strike, what occurs?

Those occupying a higher material condition do not misplace those engaged in the contest. If they are displaced at all it is by those whose conditions are poorer or are unemployed, and, taking the worst view of the situation, it has been merely a change of personnel of those occupying the relative positions.

But the truth is, and the entire history of industry has demonstrated it to be a fact, that the workers who have intelligence and manhood enough in their makeup to contend against the imposition of poorer, or to strike for better conditions, never go down in the economic scale.

In other words, though the workmen may be defeated in the immediate contest, their character, perseverance, and ability always make for the next highest rung in the industrial ladder.

And yet, conscious of these facts, I realize that some strikes may be mistakes and hurtful, since the maintenance of industrial tranquillity, when reinforced by thorough and intelligent organization of the workers, may accomplish much greater success on the road to the wage-earners' material improvement.

It is for these reasons, as well as to maintain industrial peace, agreement with our employers for the establishment of more rightful relations between us, that we advocate and stand for conciliation and arbitration before a resort to the strike.

What is a strike? A strike is nothing more or less than a disagreement between the employer and his workmen about continuing industry upon an old agreement. It is a demand on the part of workmen for a new deal, a demand on the part of the workmen for a new agreement under better conditions. After all, in spite of everything that has been said and done against strikes and strikers—and I say this fully conscious of the responsibility my words carry—the organizations of labor make for industrial peace and industrial tranquillity. I have yet to make the acquaintance of any man who has given any number of years to the work of organized labor who has not done his best to avoid and avert strikes.

There is no factor so potent in the prevention of strikes as a well-organized union of labor. Strikes are diminishing in number in spite of all our opponents say. I will say further that with the greater growth of organization among the working people there will be fewer strikes. They will be less in number and will be waged with less bitterness and intensity year after year as labor organizations grow. But when a strike has occurred and the workmen have tried all known methods of conciliation and have failed to reach an agreement with their employers, they are ready to arbitrate.

We stand for arbitration, and we pin our faith to it, but we realize that as nations must be strong in order to have fair arbitration and to secure fair treatment from other nations, so must the working people be organized and prepared to defend their interests if they want conciliation and arbitration from the other side.

The Union Shop or "Open Shop."

Recently the opponents of organized labor have started an agitation for what they euphoniously designate as the "open shop;" and several employers, otherwise fair, having been persuaded that the proposition on the surface appears to be ethical, have advocated it. On the other hand, our movement stands for the union shop, not, as our opponents designate it, the closed shop; for, as a matter of fact, a union shop is not a closed shop. Any wage-earner, a member of an organization in any part of the country, can enter the union shop. And any wage-earner, competent to fill any position in the union shop, is not only eligible to enter to work therein, but the organizations have their hundreds of missionaries at work, in and out of season, urging and pleading with them to enter the wide-open doors of the union. This so-called open shop is the disintegrating factor that leads to the non-union shop; in other words, the shop which is closed to the union man, no matter from whence he hails or what his skill and competency.

The so-called open shop influences wages and the standard of life to the downward course, for it is based upon the sycophancy of the most docile, and the most immediate needs of those in direst distress, of the most poorly situated among the workmen.

Agreements or joint bargains of organized labor with employers depend for their success upon the good will of the union and the employers toward each other. Neither should be subject to the irresponsibility or lack of intelligence of the non-unionist, or his failure to act in concert with, and bear the equal responsibility of, the unionist. Hence, the so-called open shop makes agreements and joint bargain with employers impracticable, if not impossible. The union can not be responsible for non-unionists whose conduct often renders the terms of the agreement ineffective and nugatory.

Inasmuch as the most conspicuous antagonists of organized labor are sponsors for what they term the open shop, upon the pretense of the liberty of the individual, the thought forces itself upon us to ask:

"When, in history, have the opponents of any movement for the uplifting of the masses constituted themselves the advocates and defenders of the liberty and freedom of the people?"

The whole hue and cry is designed to deceive the ignorant and enthrall the masses.

I took occasion to say recently: "To a non-unionist, despite that which his advocates say for him, can not be attributed the virtue of helping his fellow workmen or contributing toward the establishment of more rightful relations between workingmen and their employers. No force but that of persuasion, moral and intellectual influence, should be exercised to convert the non-unionist to membership in our organizations, but it is hurtful from every viewpoint, and to every enlightened interest, to advocate the open shop. As the immortal Lincoln said: "This country can not long remain half free and half slave." So say we, that any establishment can not long remain, or be successfully operated, part union and part non-union.

With the facts before us, with our mission to fulfill, uninfluenced by attempts to place us in false positions, unswerving in our course for the attainment of the right, we will not be deterred, but will take on new zeal to organize the yet unorganized, unite and federate those already organized, and with clear vision and stout hearts move onward and forward for labor's amelioration and final emancipation.

The people who censure our movement and who are antagonistic fail to understand the changed conditions which have come about in industry.

They say that every man should stand upon his own merits and be the equal of every other man. No man who loves his fellows could wish more than do the advocates of organized labor that such a condition of affairs could exist. But we must bear in mind that hand labor is now a thing of the past. We must bear in mind that in what was termed "the good old days" men owned the tools with which they worked. If there was any difference between them and their employers the men could take their tools and seek other employers.

Or, if in the last analysis, no other employer could be found, the workmen could go to the land and maintain themselves and those dependent upon them.

Now our land is gone; is owned by the great corporations and the wealth possessors of our country; the man of labor no longer owns the tools with which he works.

To-day we have great machines, new tools dividing and subdividing the labor performed; specialization of industry, the worker doing a thousand—ay, ten thousand—times over and over a little given thing in the great beehive of industry, and all these machines propelled by steam and electricity.

Now, I ask every thoughtful man and woman, How can an individual workman act upon his own initiative and from his own volition?

Where can he act as an individual to secure improvement in his condition, much less protection, against a great corporation? Some say the workingmen lose their individuality when they join a union of labor. In truth, as I have tried to show, the workingman has lost his individuality just as soon as he enters one of our great modern industrial plants. He becomes but an atom in the great aggregate of this industrial system. And further, we find now, by reason of this great concentration of industry and invention of machinery, that the individual man as an employer is gone. The individual with another individual in a partnership counts as nothing; the partnership in a company is only a small concern; but instead we find companies with companies in great combinations and trusts under whose direction the industries of our country are conducted.

The old idea, even among the business men, that competition is the life of industry, is no longer held as an economic tenet by men who know the trend of events in the development of industry. They realize that competition, which in the old time meant the life of trade, is to-day the death of the trader.

Organization the Only Hope of the Laboring Man.

The workingman of to-day has lost his individuality. The only hope that he has of regaining his social and economic individuality is by uniting in the movement of organized labor so he may be in a better position to make a joint bargain with his employer for the labor he has to sell. When workingmen of this day unite with their fellow workingmen they gain independence and become real factors in economic, social, and political life.

We have progressed from religious absolutism to the rights of religion. We have progressed from absolutism in government to the right to have views about the government under which we live, and the working people of our country and our time have progressed until they now demand to have a voice in its industrial affairs.

Our employers have so long looked upon the working people as their dependents that they even to-day speak of themselves as masters and their workmen as servants, and in the legal phraseology employed in cases the "Masters and Servants" acts are always quoted. Even though labor has become free in so far as a man's right to quit work is concerned.

The employers have always placed their price upon the commodity they want to buy. They always have spoken, and many of them still speak, of labor as a commodity, just as though the laborer could divide and distinguish himself from the labor he performs. But the employers count it the same as a bushel of coal, a bushel of wheat, or a pound of pork. It is simply a commodity, and heart and soul and conscience of the worker do not count in the cold calculations of our modern capitalists.

They want the world to regard labor as a commodity, and yet want to follow a practice absolutely different from that in vogue in buying and selling any other commodity. You may go anywhere you please, and when you attempt to buy anything a man has for sale he sets the price. If you don't want to pay that price you can go without it. In the selling of labor or labor power the employer, who is the buyer, wants to set the price of the article and deny the right to labor of a voice in determining what that price shall be.

The labor movement starts out by saying that as individuals we can make no bargain for our labor that is at all fair between man and man; hence we unite with our fellow-workers of the same craft or calling, and try to make the best possible bargain for the only thing we have to sell—*our power to labor*. We are determined to have a voice in settling the wages, the hours, and the other conditions under which labor and labor power shall be bought and sold.

Our opponents say that organized labor seeks to raise wages, but only for its own members. Primarily, that is true. Organizations of labor have their own members first in view when they try to improve conditions; but organized labor throws wide open its doors and asks all men and women who work for wages to come in. Organized labor says, "Welcome, brothers and sisters in toil! Come in and participate in the beneficent influence and results of organized effort!"

Apart from this, is the further fact that though it is true that organized labor is concerned primarily with its own members, yet, as a matter of fact, trade unions can not improve the condition of their own members without at the same time relatively improving the condition of the non-union workers.

It will usually be found that the non-unionist receives 25 or 50 cents a day less than the union man. Very often he works an hour longer each day than the union man. But, if the trade union secures an increase of 25 or 50 cents a day in wages of its members, the employer of non-union labor knows full well that it is to his advantage to make some concession to the non-union workman, or he will join the union and demand the scale.

Our opponents also charge that we want to reduce the hours of labor, and a gentleman whom I shall name later charges it as a heinous offense that the American Federation of Labor has made a great effort to secure the eight-hour workday for the working people of our country. Well, we will plead guilty to the charge of trying to reduce the hours of labor. We know some progress has been made, and that more progress ought to have been made since the time—

"When Adam delved and Eve span,
Who was then the gentleman?"

In the old time men worked from sun up to sun down, but now with the great, wonderful agencies for producing the wealth of the world so fast that it puts into the shade the wildest dreams of enchantment and wonderland, and when this great wealth of our country is being produced through the ingenuity, the energy, and the intelligence of the great body of working people, is it not time that some greater change took place than working from sun up to sun down?

We believe that the plan which was successfully tried centuries ago in the building of the Great Temple can now with safety be applied in modern industry with our great machines. We believe it is right to establish the universal eight-hour working day. Surely if it is the idea of our modern captains of industry to get all the work they can out of a man in the shortest time possible, then they should work him twenty-four hours a day for two or three days, even though they kill him.

If, however, the idea is to get the man to work for ten years, let him work twelve hours a day. If they want him to work for fifteen years, let him work ten hours a day; but if they want to get the best possible results out of a workman during his whole life; if they want him to be a benefit to society, a benefit to himself, a benefit to his family, a benefit to his fellow men and a benefit to future generations, then they should establish the universal eight-hour workday.

Our employers are setting the example of organization. The wealth possessors of our country show what is meant by the power of organization. They have organized. The professions have organized. The working people have learned the lesson and are learning it more aptly every day. They are organizing day by day, and the time is not far distant when the toilers of America will present a solid phalanx—not for injustice, not for wrong, but as a constant protest against wrong, tyranny, and injustice on the part of their employers.

The labor movement aims not to tear down anything or any one, no matter how high the pinnacle upon which he or it stands; but it does propose to go down deep, deep into the abyss of industrial misery and despair, and give hope and encouragement and help to the workers who have sunk so low. They are trying to lift them up to realize first their duty to themselves and their fellow men—their duty of standing shoulder to shoulder with their fellow workingmen and fellow citizens in constantly striving for the right.

In speaking of the collective as against the individual bargain, remember that the individual bargain is made by a workingman, where? Where the employer has him at a disadvantage. If an employer wants fifty or a hundred men he uses the usual means to make workingmen acquainted with that fact, and they come and ask for the job. Where do they ask? At the entrance to the factory or the mine. They deal with the superintendent or foreman or some other representative. What occurs? The man whose needs are the greatest, the man in the direst distress, is the man who must of necessity make the most strenuous efforts to get employment, and in that great effort he will make a bargain with the employer or his representative which is not what the other man may think is fair and just, but it is what dire poverty may compel him to take. The immediate need for money, for the things to sustain himself and his family, is the basis upon which the wages are set, and it sets the price, too, for every other man who wants employment in that line of work.

On the other hand, the union makes the collective bargain with the employer—not at the factory door, not at the mouth of the mine, but in the office of the employer, with a committee of the organization which represents, not the greatest hopes or the greatest wants of the man who wants the most, nor the needs of the man who is the poorest. A fair wage is demanded, and after an intelligent discussion of the proposition the collective bargain is made.

This method of doing business is not only fairer and better and more humane, but, economically, it is sane and sound. It protects the fair-minded employer from the man who would crush labor to the earth in order to squeeze out a few cents profit a day; it protects the fair-minded employer from his cut-throat, Gradgrind competitor, and often makes the unfair employer be good in spite of himself.

Mr. Parry's Attitude Toward Organized Labor.

Now, I want to take cognizance of some things which have transpired recently. A gentleman has undertaken to be the saviour of society. He believes that were it not for him the institutions which Jefferson, Paine, and Washington founded, the wonderful structures preserved by Lincoln and Sumner and Garrison and Phillips, are all bound to crumble into dust if he does not stand out as the saviour of modern civilization and the Gibraltar of the right of the employers, and incidentally, of labor.

Our friend to whom I refer, Mr. D. M. Parry, has recently undertaken to make very severe strictures upon organized labor, and also upon those men who have been from time to time selected as its representatives. I shall be more inclined to take notice of some of the attacks which Mr. Parry has made rather than to answer his questions, because a fool can ask more questions in an hour than all the wise men can answer in a year. It is equally true that it is not very difficult to make accusations, and one can make more accusations against another in five minutes than that other can answer in a year.

But I do want to take cognizance of some of the things which Mr. Parry has said, of some of the charges he has made, and of some of the questions he has asked. I shall not deal with his smaller questions, but with those of greater import. For instance, Mr. Parry says that if the organizations of labor taught their members some things that were of use to them it might count to the credit of the unions, but he says they do not.

I have in my possession a list of the official journals of our international unions in America, a list containing the names of seventy-four official trade journals, and wherever there is any technical work to be done those trade journals not only give drawings and sketchings, but lessons that teach the men the work they were not taught and are not now being taught in the industry on account of the improved tools and new machines. These official journals offer prizes and other inducements to incite the interest of the members in doing good work and knowing how good work should be done. But our friend Parry says that this is not so.

Organized labor—what has it accomplished? I can not enumerate all that organized labor has done; but let me ask what other organization has saved the children from the factories and workshops? The children, from the ages of five, six, and seven, were in the mills and shops and factories, and it was organized labor that sounded the tocsin and roused the conscience of the people of our country to the iniquity of child labor. Organized labor exercised a beneficent influence, and State legislatures one after another passed laws that took the children from the factories and workshops, from the mills and the mines, and placed them where they should be, in the home, in the schoolroom, in the playground. It gave them an opportunity to imbibe the sunshine, and an opportunity to grow to a creditable manhood and womanhood.

If organized labor could be driven out of existence this very day, and had nothing more to its credit, it would have fulfilled a mission which can be credited to no other human agency, and it would have a splendid record. But it has other things recorded in its favor. It made free schools; it made free school books; it made opportunities for and disenthralled men of learning and men of the church, so that they too have come out in the open and preached the gospel of industrial freedom. The unions have secured the better protection and ventilation of the mines. It is true that here and there we hear of disasters in the mines, but few know the destruction of human lives that took place time after time when thousands of human beings were sacrificed before organized labor improved the condition of the mines. Who secured the lien laws for workmen so that their wages might be secure? Who secured early closing so that not only the workers, but also the merchant and the business man and the employer might enjoy hours of recreation, which before the era of organized labor were given over to needless drudgery. Intelligent employers agree in paying a tribute of respect to the success of organized labor in reducing the hours of daily toil.

Our Labor Day! Who gave us Labor Day? The wage workers, the organized labor movement, gave this holiday to the world. But if our friend Mr. Parry had his way, not only would these, but countless other measures, be wiped out of existence. Presidents and governors, judges and ministers of the gospel, scientists and laymen, and the large mass of business men all agree that organized labor has fulfilled a great mission and has yet a great mission to fulfill. But there is one whose figure rises on the horizon and says: "No, back! Back, ye hordes of labor! Back, ye scientists, ye economists, ye judges! Back, ye governors and presidents! You do not understand what this labor movement is; you are all mistaken. It is I and I alone who understand it."

The trade unions have secured within the past few years a something that our friend Parry does not understand, and that some others do not understand. When Hawaii became annexed to the United States slavery existed there. It was at the instance of the American Federation of Labor that Congress added an amendment to the law annexing Hawaii, abolishing slavery in the island, and providing for the appointment of a number of officers whose duty it was to go to every slave in Hawaii and tell him personally that he was a free man. When Porto Rico became annexed to the United States it was the American Federation of Labor that wiped from the statute books of that island the law which made it punishable by imprisonment and fine for men to "conspire to raise the price of labor." The law has been changed, and the change has been due to the efforts of the American Federation of Labor.

Trade unions foster education and uproot ignorance; they shorten the hours of labor and lengthen life; they raise wages and lower usury; they increase independence and decrease dependence; they develop manhood and balk tyranny; establish fraternity and discourage selfishness; reduce prejudice and induce liberty; they enlarge society and eliminate classes; create rights and abolish wrongs; lighten toil and cheer the home; brighten the fireside and make the world better.

A strike may bring about strife and discord, but as soon as it is done better feelings are engendered and mutual respect is brought about. I don't think I would care to have a strike in Mr. Parry's factory, but I believe it would not be an unmixed evil, for after awhile he might learn the lesson that

Mr. Baer has learned, that there is something to arbitrate, that there is something to discuss, and something to concede. I should not wonder if Mr. Parry would be able to cite his employees against my position.

More than likely he could get his employees to sign a petition saying I was all wrong in so far as his treatment of his employees is concerned, but from what I can learn—and next to Mr. Parry I have the best means of knowing—the wages paid by Mr. Parry are less than any fair establishment in the same line of business in the whole country. I say again that he may bring his own employes to sign a statement saying that the statement I have just made is not true, but if he did that it would not be the first time I have been confronted with a petition wrung from working people by their employers through the fear of being discharged. Such a statement would not be convincing, for no one who knows will dispute the fact that unorganized workingmen have no opportunity of expressing their independent opinion of actual conditions which obtain in their employment.

Speaking of strikes, let me refer to the miners' strike of last year, the greatest example of strikes in recent times. The conditions which obtained in that mining region were deplorable, but, through the strike, those conditions have changed. There is greater manhood; there is greater independence; there is greater mutual respect and consideration among all classes in the anthracite coal fields, and we will not in the future have the cries of poverty and the wails of distress that have reached the working people from the miners there for twenty years past.

That much, at least, is gone from the conditions there, and they will be no more subject to poverty and misery than other working people. Certainly they have learned a lesson that by their organization they have been enabled to emerge from an awful condition of misery to take their position with all their fellow workingmen.

Now, I want to say a word about the charge that union men shirk work. That charge is not true. They say we want to establish a uniform rate of wages. That is not true. It is a mischievous invention to injure the cause of labor. What organized labor aims to do is to establish a minimum wage, a living wage; to establish a life-line beyond which the employers shall not drive the working people.

We say that if a man or woman is worth while employing at any occupation he or she ought to receive a living wage, and for less than that they ought not to be called upon to work. It is the ignorant or malicious antagonists of organized labor alone who try to hamper our movement by using this argument. We never try to hinder the employers from paying any working man or working woman higher wages than the minimum; but we do object to their paying less than the minimum wage.

Have we had one word of condemnation from either Mr. Parry, or anyone else who believes with him, against one of the greatest crimes that has ever been committed against the human family? Through the stock speculators in cotton—in other words, through the gambling in cotton—forcing the price so high that employers in the textile industries have found it unprofitable to continue operations, more than 300,000 men and women in that occupation have been idle more than four months. Where has there been one word of criticism or denunciation on the part of Mr. Parry? He will pick out here and there some fellow who has indulged in a drunken squabble, or one who has been engaged in an assault, deplorable as these are, and hold these things up as typical of the labor movement, when such things are discouraged in every way by organized labor.

The boycott is not a new weapon; it was established by our forefathers. They made a great teapot of Boston Harbor when they threw the tea overboard and wouldn't deal with the English tradesmen. Just recently our Federal courts have decided that an employer can discharge workmen when he pleases and for what he pleases, and that employers can have a blacklist. Does not that carry with it that the workingmen have a right, in defense of their own interests, to quit work when they please?

Mr. Parry can not crush organized labor. There is no force or power on earth to crush organized labor. It lives in the hearts of our people. It can not be crushed out. Out of our labor movement we want to establish this country, not only as the greatest granary of the world, but the greatest workshop of the world; but this can only come from a greater improvement in the conditions of our working people. No country ever became or can ever become great, based on the docility and consequent poverty of her workers.

And out of our movement will grow a better manhood, a more intelligent and beautiful womanhood, and a brighter childhood. The time of which the philosophers have dreamed and the poets have sung, and for which men have contended for centuries will have come. When that day comes none will have done so much for the peace and good will that will reign upon earth as the trade unions.

A GOLD STANDARD FOR MEXICO.—From the standpoint of capital, taking the situation as a whole, the great drawback lies in the fact that the depreciation of silver with respect to gold has been very much more rapid than the depreciation of the peso as currency. If the price-level and the wage-level inside Mexico had kept even pace with the fall of silver, it would still be possible to send gold there for general investment and expect a profitable return. It is precisely because the depreciation has been with respect to international exchange rather than with respect to the use of silver as money within the country, that the financial isolation of Mexico, with its train of one sided and undergrown development, has come into being. The uncertainty of the exchange rates of the future is the one great barrier that shuts out the needed stream of capital from abroad. It makes investments, even in the lines where the income is in gold, nothing more or less than gambling propositions. It means a great deal to a nation not to have its railroads, its industries, its banks, its trade and its agriculture dependent for their success or failure on the skill of the proprietors in betting on silver futures, and there can be no doubt that stabilization of the exchange will inaugurate an era of swift and strong expansion, both on the part of existing enterprises, which at present stand on the footing furnished by the quagmire of silver speculation, and on the part of new enterprises, backed by the inflow of capital from abroad. The land is rich, it is young and undeveloped, its government is strong and liberal, there is a more progressive spirit abroad among the younger generation, so that development will be aided rather than hindered by the owners of the land. Nothing is lacking but reliable money before a magnificent structure of internal expansion will begin to rear itself on the solid foundation that the past quarter century has laid. * * *

The Government Commission, under the guidance of the able Minister of Finance, Limantour, has made a long and exhaustive study of the situation, and of the means by which to come to a satisfactory solution of a problem which is doubly difficult because Mexico is par excellence the silver country of the whole world by right of her pre-eminence in silver production. The sentiment which naturally clings to the use of the white metal is yielding to reason and to the logic of disagreeable facts, and there can no longer be any doubt that the gold standard, in one form or another, is soon to be adopted with the approval of the entire country.—Morrill W. Gaines, "Effects of the Silver Standard in Mexico," in "Yale Review" for November.

GOLD.

Gold is always a picturesque subject. Whenever its name is pronounced the effect is talismanic. Promoters, whether of legitimate or lottery enterprises, well understand this. Gold bonds, prizes payable in gold coin, somehow seem to be more attractive than if only money or dollars were specified, even when all dollars and all money are practically gold. Gold is the real thing. There are many men of many minds, as the old proverb has it, but curiously enough these many minds are all agreed about gold. The desire for gold is as enduring as hunger and as insatiable as thirst. Even the eyes of the hardened and *blase* handlers of money who assemble in bankers' conventions brighten at the word and their nerves, overstimulated as they are by the rustle of the greenback and silver certificate and all those forms of money irreverently styled the "long green," still remember and reproduce in imagination the peculiar low and dull musical clink of heavy coins, when the word gold is mentioned.

So Mr. Roberts, the Treasurer of the United States, did not lack a responsive audience when he told the delegates to the convention of the American Bankers' Association at San Francisco the story of the inflow of gold during the last few years. California, too, was a very appropriate field for such a subject, being the only State in the Union that successfully resisted the subtle influence of the greenback, and that now has the triumph of witnessing the return of the majority to her way of thinking.

Mr. Roberts is a picturesque figure, and he treated his picturesque subject picturesquely. The stock of gold in the United States was brought objectively into the presence of his audience in all the majesty of a gleaming cube, fifteen and more feet on its edges, and weighing 2,354 tons. He was more concerned with its solidity than its surface, and neglected to picture what a gleaming, golden expanse would have presented itself to the eyes of the audience if the broad side of this cube, a glittering yellow mirror containing 250 square feet, had been turned to them. Coined into eagles and placed edge to edge, it would reach 2,116 miles, said Mr. Roberts. He did not prolong the agony by showing that it would reach to the fixed stars if stretched into wire sufficiently fine and long, or that it would suffice to regild the sun if beaten out into gold leaf sufficiently thin. Luckily, imagination has been given to man, for all these things have to be imagined.

Gold is in fact a very modest and retiring metal (the enthusiasts who used to rave about the crime of 1873, even called it cowardly), and it never collects itself into cubes of fifteen feet, nor are gold eagles ever used to measure distances. The great Coin, in his financial school, used to collect the world's stock of gold into a cube of thirty feet, and in the presence of his class, composed of eminent financiers, astonished and awed by the wisdom of the boy, point the finger of scorn at it, and demand what right a little petty insignificant thing like that had to be the basis of all the credits, the industries and the hopes and fears of mankind.

Economists have again and again been pushed into a corner to explain in what really consisted the universal acceptance of gold as a measure of value, as the touchstone of the value of all else in the world. They have cited its beauty, its indestructibility, its capacity for division, its weight in small compass; but these reasons, either singly or in combination, have not seemed conclusive to the critical. The mass of mankind, who take things as they find them, were satisfied to know that gold was valuable just because it was; just as water quenched thirst because thirst disappeared when one drank it. No one paid much attention to the Kentucky colonel who asserted that water did not quench *his* thirst.

Since the great silver controversy has ended, and it is no longer necessary to explain to silver cranks why gold was accepted and silver was not as a monetary basis, the discovery of radium and its wonderful properties have thrown a side light on the properties of all metals. Gold, therefore, like other metals, has life of its own, and perhaps a soul; at least if radium throws out rays or emanations which affect man's physical structure, it is strictly in line with this to suppose that gold throws out emanations which affect man's moral nature. This view is supported by the celebrated Keeley gold cure, which so changed the moral nature of the inebriate that after undergoing treatment he could not if he would again become a drunkard. That there were sometimes relapses after taking the gold cure does not militate against the general proposition, that gold or emanations from it affect the moral nature of man, because these relapses at most prove that the patient stopped short of taking the necessary dose.

If, then, all the gold in the world according to the idea of Coin, copied by Mr. Roberts, could be collected in one mass, who can tell what might be the effects upon that portion of the human race brought within the effective range of its emanations? The power of the minutest particle of radium upon the physical nature of man has been found to be very great. Gold would still preserve its proud eminence as the king of metals, if as suggested it shall be proved that its emanations have power over the moral nature of man.

It is unnecessary to indulge in speculation as to whether the cube would be the best shape in which the mass could be moulded to exert its greatest or most beneficent effect. In the shape of coin, gold has already wonderful effect in sustaining those moral qualities which insure financial confidence. If all this gold were consolidated into one gigantic coin, the surface for the emission of ethical emanations would be much greater. The circumferences, diameter and thickness of such a coin must be duly calculated by our scientists. Other figures might be tried. The sphere might have advantages. The experience of Cagliostro points very strongly to the pentagon as possibly having great theoretical claims to being the most effective. Other well-known geometrical figures occur to every one. Both Coin and Mr. Roberts appear to have been on the very verge of a great discovery, from which they seem to have been held back by the very greatness of their imaginations. Coin seemed to desire to collect all the gold of the world in one mass in the shape of a cube and place this in the Chicago wheat pit. A cube was a good shape because it would set solidly, and probably its weight would prevent it from being removed. For this reason a cube is preferable to a sphere; the latter might be rolled away like a huge marble. Mr. Roberts was more moderate than Coin, as he only suggests the collection of the gold in the United States in the form of a fifteen-foot cube, to be exhibited in the convention of the American Bankers' Association. It is believed that a spherical figure would have been safe before this convention, but still Mr. Roberts thought best to adhere to the cube, which would certainly be more difficult of transportation.

If Coin or Mr. Roberts had considered further and had dreamed of the possible moral effects of the exhibition of gold in mass, they might have perceived that the experiment would perhaps be made with smaller quantities of gold and with just as good results. For instance, if a square or circular disc of gold containing, say, one-fifteenth of Mr. Roberts' cube, were brought into the New York Stock Exchange when panicky symptoms were manifested, and the brokers were exposed to its emanations for a suitable time, quiet and confidence might be restored. Mr. Roberts' cube might be sawed into sixty slabs, each three inches thick, the saw-dust to be saved of course. These slabs might be distributed among the principal stock exchanges. Experiment might prove that so large masses were entirely unnecessary, and that striking effects could be produced by much smaller quantities of gold. Each bank might have its own emanator to work its soothing effects on depositors, when a run was threatened; or, what would be better, one mass of gold could be held in common by all the banks and used by each in turn as occasion seemed to warrant.

When they suggest such great possibilities as these the public need no longer wonder at the utility of statistics which compare the quantity of gold coins in the country with the distance to the moon, and that speculate on the distance the paper currency of all denominations would reach if it was laid end to end and did not blow away. It might even be profitable to speculate how much gold it would take to fill up the Panama canal, for instance. But the interest which such speculation does excite in the minds of audiences and the fact that they are worth while using as rhetorical devices, only prove the strong moral hold that gold, and all money in the reflected virtue it receives from gold, has upon mankind, which as has been said before should induce our scientists to experiment with gold along the same lines that they have pursued with radium, studying the moral effects of the emanations from the yellow metal upon individuals as well as upon men in masses. Many secrets may thus be discovered and many mysteries explained.

It is the peculiar gift of some orators and writers to excite thought in their hearers and readers, not so much by what they actually say or write, as by what they suggest. Mr. Roberts' address was very suggestive. The considerations set forth above must have occurred at once to all his hearers. It is wonderful how skill in the art of suggestion will stir up and fructify the thoughts of millions who without this impulse would have remained apathetic and uninterested.

TRUST COMPANIES OF THE UNITED STATES.—The United States Mortgage and Trust Company, of New York, has just issued a book giving a list of all the trust companies in the United States, also showing in detail the assets and liabilities of each company, together with the officers and directors. This information is arranged alphabetically, in a convenient form for reference. It is the only publication, we believe, that gives full reports of all the trust companies of the country, and will be found very valuable. The book is well printed and substantially bound.

The compilation of the work was done by The Audit Company, of New York.

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COLLECTIONS—WHEN THEY CONSTITUTE A TRUST FUND.

Supreme Court of Georgia, August 12, 1903.

G. OBER & SONS COMPANY vs. COCHRAN.

The mere fact that a bank, to which a note was sent for collection with instructions to immediately remit the proceeds of the collection to the owner, collected the money due on the note, and, instead of obeying instructions, used the same in its own business, is not sufficient, upon its insolvency, to impress a fund realized by its Receiver, by converting its assets into cash, with a trust for the payment of the money so collected and used.

(Syllabus by the Court.)

G. Ober & Sons Company held a note on P. F. Matthews, of Pike county, for $506, which fell due on November 1, 1901, and, on October 14, 1901, sent his note to the New South Savings Bank, of Barnesville, Ga., for collection and remittance of the proceeds. On November 21, 1901, the bank collected the amount due on the note from Matthews. The bank never remitted the amount so collected to the Ober Company, but used the same in its own business. On December 4, 1901, the bank failed. Upon the application of creditors, its assets were placed in the hands of a Receiver. The Ober Company filed a petition against the Receiver, in which, after setting up the facts in reference to its claim against the bank, it alleged that it was not a creditor in the sense that it had extended credit to it either by making a deposit or by a loan of money or otherwise; that the money collected from Matthews was the property of the petitioner, and not an asset of the bank. The petitioner prayed for an order requiring the Receiver to pay over to it the amount so collected. The Receiver alleged in his answer that when he took charge of the bank he found only $29.52 in its vaults. He denied that the petitioner had any superior lien on the funds in his hands.

The case came on to be tried at the October term of Pike Superior Court. The petitioner proved the facts which it had alleged in its petition, but made no effort to trace the money collected upon the Matthews note into any fund or property which went into the hands of the Receiver. The court held that under these facts the Ober Company was not entitled to an equitable lien on the funds in the hands of the Receiver as against the general creditors of the bank, to which judgment the petitioner excepted.

FISH, *P. J.:* Under the facts alleged and established by the evidence, did the petitioner have an equitable lien upon the assets of the bank in the hands of the Receiver? We think not. Under the ancient rule the equitable right to follow and recover property misapplied by one holding it in trust for another depended upon the ability of the owner to identify it, the equity attaching only to the property itself. Subsequently the rule was extended so that the equitable right would attach to the proceeds of the property, to whatever was obtained in exchange for it; the rule, as stated by Lord Ellenborough in Taylor vs. Plumer, 3 M. & S. 575, being that "the product or substitute for the original thing still follows the nature of the thing itself so long as it can be ascertained to be such."

But, if there were no means of tracing and identifying the specific property or its proceeds, the equitable right of the owner was lost; so that, if a trust fund became mingled and confused with other funds, it could not be separated and recovered by the person injured by the misappropriation.

Since the decision in the celebrated English case of Knatchbull vs. Hallett, L. R. 13 Ch. Div. 696, wherein Master of the Rolls Jessell laid down what he called "the modern doctrine of equity," the rule has been given a somewhat wider scope in England and in those jurisdictions in this country where the decision in that case has been followed. Indeed, in some of the American cases which have been decided since this leading English case, the courts have gone much farther than the principle there laid down seems to authorize. In that case it was held: "If money held by a person in a fiduciary character, though not as trustee, has been paid by him to his account at his bankers', the person for whom he held the money can follow it, and have a charge on the balance in the bankers' hands."

The facts of the case, as stated by the Master of the Rolls, show that Mrs. Cotterrill had deposited certain bonds with Mr. Hallett for safe custody, and he was in the habit of receiving the income from the bonds for her. Hallett improperly sold the bonds, and put the money received to his general account at his bankers. Sir George Jessell said: "It is not disputed that the money remained at his bankers' mixed with his own money at the time of his death; that is, he had not drawn out that money from his bankers. In that position of matters Mrs. Cotterrill claimed to be entitled to receive the proceeds, or the amount of the proceeds, of the bonds out of the money in the hands of Mr. Hallett's bankers at the time of his death, and that claim was allowed by the learned judge of the court below, and, I think, was properly so allowed."

The ruling of the court made Mrs. Hallett's claim a charge upon the fund in the banker's hands, with which her money, received from the sale of her bonds, had been mingled by her agent and bailee. The court proceeded upon the theory that a trustee who deposits trust funds, together with funds of his own, to his own account at his bankers', and then draws, for his own purposes, from this fund, leaving a balance sufficient to cover the trust fund, is to be presumed to have drawn out his own money in preference to the trust money. The Master of the Rolls likened the facts of the case to a trustee putting one thousand sovereigns of trust money in a bag, and then placing in the same receptacle a sovereign of his own; and then said: "Could anybody suppose that a judge in equity would find any difficulty in saying that the *cestui que* trust has a right to take 1,000 sovereigns out of that bag? I have no doubt of it." He further said it would make no difference if, instead of one sovereign, it was another one thousand sovereigns of his own which the trustee placed in the bag. But we apprehend that if, at the time the effort was made to recover the trust funds, they could be traced no further than into the bag, and the bag was then empty, the trustee having spent all the sovereigns which he had put in it, the trust fund, even under the principle laid down in that case, would be lost, and the *cestui que* trust could not, as against general creditors of the trustee, take from the assets of his estate an amount sufficient to replace it.

In the case which we have under consideration, the bank was the agent of the Ober Company, and as such agent collected something over $500, which it used in its business, and then failed, and its assets were then placed in the hands of a Receiver; and the claim of the Ober Company is that, notwithstanding its failure to trace the money so collected into any property or fund which went into the hands of the Receiver, it has the right to take from a fund which was not on hand when the bank failed, but which has been realized by the Receiver by converting the bank's assets into cash, an amount equal to that which the bank so collected and spent.

There is nothing in the noted English decision which sustains this contention, and it is contrary to the well-established principle applicable to cases of the present character, and to the great weight of authority upon the subject. In order to recover a trust fund which has been misapplied by the trustee or person holding it in a fiduciary character, it must be clearly identified or distinctly traced into the property, fund, or chose in action which is to be made subject to replace it. When the trust fund has been dissipated, and can be traced no further than into the hands of the trustee or agent who held it in trust, the fund is lost, and he who was its owner stands upon better footing than a general creditor when the assets of the trustee or agent are being distributed by a court of equity. It is a wide and dangerous stretch of the equitable doctrine applicable to the tracing and recovering of trust funds to say that it is not necessary to trace the funds into any specific property or chose in action, but that, if it can be shown that the funds somehow, in some unexplained way, went into the business of the trustee, all of his assets are forthwith impressed with the trust.

Even upon the theory adopted by some courts that the tracing of the trust fund into the estate of the trustee is sufficient, it is difficult to see how mere proof that the trustee has used the fund in his own business is sufficient to show that it has gone into, and in some form is a part of, his estate. He may have made a bad investment with it and lost it completely; he may have paid debts with it, in which event the liabilities of his estate will have been decreased; but nothing will have gone into his assets as the representative or substitute for the fund so used.

[The Court here examined a number of cases.]

It seems to us that the courts which, in our opinion, have enlarged the equitable doctrine applicable to cases of the present character to an unreasonable extent, have lost sight of this basic idea of equitable title to the property into which the trust funds are traced; that is, title to the extent that such funds have entered into such property. The other cases cited by counsel for plaintiff in error are Thompson vs. Gloucester City Savings Inst., 8 Atl. 97 (a case decided by the Court of Chancery of New Jersey); Griffin vs. Chase, 36 Neb. 328; Peak vs. Ellicott, 30 Kan. 156; People vs. Bank of Dansville, 39 Hun, 187; First National Bank vs. Sanford, 62 Mo. App. 394; and German Fire Ins. Co. vs. Kimble, 66 Mo. App. 370. These cases tend to support the contention of the plaintiff in error; especially the two Missouri cases, which are directly in point.

In the first of these Missouri cases the court, referring to the reasoning in Harrison vs. Smith, 83 Mo. 210, the decision in which was considered controlling, said: "We concede that this reasoning proceeds on advanced lines, and is seemingly opposed to the weight of authority in other States. In our investigation of the subject, we have found some other cases which are in line with these, but for the reasons which we have given we do not consider any of them sound."

In an elaborate monographic note to Sayles vs. Cox, 32 L. R. A. 719, it is said: "The general rule, where the bank has completed the collection and mixed the funds with its own, is that the bank is no longer a trustee, but simply a debtor, and that the owner of the paper cannot claim a preference out of its assets." In that case the Supreme Court of Tennessee held: "The fraud of a bank in receiving a note for collection when insolvent will not alter the rule that collections made under directions to remit 'by draft' will not be impressed with a trust giving a preferential claim against the bank's assets."

In Merchants' Bank vs. Austin (C. C.) 48 Fed. 31, it was held that a bank which collects a draft sent it for that purpose, with directions to remit the proceeds to another bank for the owner's account, does not thereby become a trustee, so that the fund can be followed into the hands of a Receiver, although it had become mixed with other cash of the bank before his appointment; "especially when it appears that the business was carried on and money paid out for several days after the collection was probably made."

In Philadelphia National Bank vs. Dowd (C. C.) 38 Fed. 172, it was held that, if a paper is sent to a bank for collection and immediate remittance, but the collecting agent, instead of obeying instructions, collects the money due on the paper, and mingles it with its own funds before it closes its doors, the fund so collected cannot be followed, but the collecting agent is merely a general debtor of the owner of the paper. In that case there is a fine and full discussion of the subject and the cases pro and con by Judge Seymour. To the same effect as the case just cited is Bank of Commerce vs. Russell, 2 Dill. 215, Fed. Cas. No. 884.

The Supreme Court of Alabama held: "The mere fact that a bank, as agent, has converted to its own use the money of its principal, which it failed to account for, and commingled it with its own money, or in some form with its other assets, so that it cannot be identified, or the specific uses to which it was applied traced, is not sufficient, on a bank becoming insolvent, to impress the general assets of said bank with a trust for the payment of the money so collected and used."

Similar rulings were made in Anheuser-Busch Brewing Association vs. Clayton, 56 Fed. 759, 6 C. C. A. 108; Edson vs. Angell, 58 Mich. 336; Ill. Trust & Savings Bank vs. First Nat. Bank (C. C.) 15 Fed. 858; Spokane County vs. First National Bank, 16 C. C. A. 81, 68 Fed. 979; Ferchen vs. Arndt, 26 Or. 121; Muhlenberg vs. Northwest Loan Co. 26 Or. 132; Thompson's Appeal, 22 Pa. 16; Union Bank of Chicago vs. Goetz, 138 Ill. 127; Englar vs. Offutt, 70 Md. 78; Steamboat Co. vs. Locke, 73 Me. 370; Lathrop vs. Bampton, 31 Cal. 17; Little vs. Chadwick, 151 Mass. 109; Neely vs. Rood, 54 Mich. 134; Shields vs. Thomas (Miss.) 14 South. 84.

The case of Tiedman vs. Imperial Fertilizer Co., 109 Ga. 661, 34 S. E. 999, is on its facts closely analogous to the present case, and the decision there rendered would be conclusive of the question which we have had under consideration, but for the fact that the equitable doctrine in reference to the tracing and recovering of trust funds, or funds held in a fiduciary character, seems to have been only incidentally dealt with, the case turning mainly upon the question whether the parties claiming the equitable liens upon the assets of their insolvent bailees were entitled to such liens under certain sections of the Civil Code, upon which they relied to support their contentions. It was there held: "Where the owner of notes placed the same in the hands of another for collection, and the bailee, having made collections, failed to remit the proceeds, the claim of the owner of the money collected was, in a general sense, in the nature of a fiduciary debt, but not such a one as entitled him to a priority over the claims of general creditors in the distribution of the assets of the bailee who had become insolvent."

In the course of the opinion, however, Mr. Justice Little made some observations which are directly applicable to the question involved in this case. He said: "A trust may arise in different ways. If one uses the funds of another in the purchase of property, taking title thereto in his own name, as a general rule it will be held that the purchaser holds the property thus acquired in trust for the benefit of the owner of the funds. Such is known as a resulting trust, which is sometimes spoken of as an equitable lien; and, while it is, the lien extends no further than the property acquired with the money of the other. Such a lien can only be enforced against the specific property in which the funds were invested." He further said that the facts created an agency, and that the principals could have recovered a judgment for the money collected against the agents "in a suit as for a debt, or, had they been able to identify the particular funds, separate and apart, they could have recovered the specific funds."

The trial court correctly held that the petitioners were not entitled to an equitable lien upon the assets in the hands of the Receiver of the insolvent bank.

Judgment affirmed. All the Justices concurring, except Turner, *J.*, not presiding.

AUTHORITY OF CASHIER—SPECULATIONS ON BEHALF OF BANK.

Supreme Court of Pennsylvania, May 18, 1903.

NATIONAL BANK OF BOYERTOWN vs. FRIDENBERG.

The Cashier of a bank was authorized to buy and sell stock, and his authority was apparently general as to the character of the securities he was to purchase, and as to whether they were to be on margins or cash. He opened an account in the name of the bank with certain brokers, and bought and sold stock both for cash and on margins, and large profits were made for the bank on the cash transactions. He subsequently absconded.

Held, that the bank could not claim that it was not liable for the losses on the margin transactions.

Bregy, *J.*, found the facts to be as follows:

On July 19, 1900, the Cashier of the plaintiff bank opened an account with the defendant brokers in the name of the National Bank of Boyertown.

The first transaction was the purchase of one hundred shares of Union Pacific at fifty-seven and five-eighths, which was paid for in full in a few days. The second was a purchase of two hundred shares of American Tobacco at ninety-three and three-quarters, also paid for in full in a few days. (This transaction was on July 31, 1900.) These stocks were sold in a few weeks at a profit, and from that time on stocks and bonds were bought and sold when it was thought wise to do so.

For quite a while these speculations were made with the express authority of the President and directors of the bank. In fact, it is admitted that all the purchases of stocks and bonds that were paid for in full a few days after they were bought are properly chargeable to the bank. In many cases the securities bought would not be taken away from the brokers' possession by the bank, but would be held by the defendants till the bank wanted them or ordered them sold.

In October, 1901, the Cashier absconded, and it was then discovered that he had not only speculated as he was specially authorized to do, namely, by paying in full for his purchases, but that he had bought stocks and bonds without paying for them, upon the strength of the securities in the hands of the brokers defendant. This sort of speculation was without the knowledge of the President of the bank or the directors. The President of the bank received some $165,000 worth of securities from the defendants after the Cashier's flight; ordered the remaining stocks, etc., bought by the Cashier's order to be sold. The balance resulting from this sale, less the amount due upon the various transactions, the bank declines to receive, claiming more.

The question turns upon whether the bank is bound by the acts of the Cashier. The bank claims that it is only bound by the purchases that the Cashier made when he paid for them in full (what is known as an "outright purchase"), and that the purchases otherwise made do not bind it. I cannot agree to that contention. The bank authorized its Cashier to speculate. It sent no notice to the defendants of any limitation of the manner of it. The bank received large sums as the result of many fortunate ventures, and finally ordered the balance of stocks, etc., on hand, sold out, and the account closed.

I think this course of conduct bound the bank for all the transactions of its Cashier, it being remembered that every purchase and sale was made for the account of the National Bank of Boyertown on the books of the defendants. I also think the Cashier has power to bind the bank for purchases and sales of its securities, and that the order to sell out the remaining stocks and bonds was an express affirmation of all that he had done.

For these reasons, I grant the motion to dismiss the bill.

MESTREZAT, *J.:* The plaintiff's bill was properly dismissed on the facts found and stated in the two opinions filed by the learned trial judge. The bill avers, and it is conceded, that the defendants, who were brokers doing business in the city of Philadelphia, were employed by Mory to buy and sell securities for the plaintiff bank. The account was opened in July, 1900, in the name of the National Bank of Boyertown, and ran till October, 1901. The defendants had a previous individual account with Mory, but it was closed more than a year prior to the opening of the account with the bank.

It is not denied that Mory had authority to purchase and sell stocks and bonds for the bank. It is found as a fact that the bank authorized the Cashier to speculate in stocks, without any limitation as to the manner of doing so, and that it received large sums as the result of fortunate speculations during the running of this account. After Mory, the Cashier, had absconded, in October, 1901, the President of the bank received from the defendants securities aggregating $165,000, and ordered the brokers to sell all the remaining stocks and bonds held by them for the plaintiff, which was done, and the balance due the bank on the account was remitted to it. An itemized account of all the stock transactions between the plaintiff and the defendants was furnished by the latter to the bank prior to the filing of this bill. The defendants had no private account with Mory, but all their dealings with him subsequent to July 19, 1900, were for and in the name of the bank. There was but one account of these transactions kept by the defendants, and it contained all the securities purchased and sold through Mory from July 19, 1900, when the account was opened, until it was closed, in October, 1901.

This bill was filed for an accounting and to compel the defendants to deliver to the plaintiff bank any securities that might be found owing it. It is claimed by the plaintiff that the account should include only such securities as were purchased and sold for cash, and should exclude all stocks and bonds not paid for in full at the time of the purchase. The former transactions are alleged to be legitimate; and the latter, speculative and on Mory's individual account. The plaintiff has accordingly made two accounts from the account furnished it by defendants—the only account kept by them—and annexed the two accounts to its bill; one containing the transactions admitted to be legitimate, and carried on by Mory for the bank, and the other alleged to be speculative, and containing transactions carried on for the private account of Mory. It is averred that these accounts were "wrongfully merged into one account" by the defendants. But there is no sufficient evidence to sustain this averment, or to warrant the conclusion that the defendants knew the purchase and sales of any of the securities were on Mory's individual account. The defendants had no reason to believe that the bank had confined Mory to cash transactions in his stock dealings on its account. The authority of the Cashier in the matter was apparently general, and without limitation as to the character and amount of the securities he was empowered to purchase, and as to whether the transactions should be on margin or for cash. Even if the financial standing of Mory had been discredited in the conversation between Wallick and the defendants, proof of which was rejected, it afforded no reason for the latter believing Mory was not authorized to act for the bank in all of the stock transactions subsequent to the date the account had been opened, when it is conceded he had the authority to purchase and sell stocks for cash through the defendants as brokers. His standing for honesty and integrity was vouched for by the bank, by its employing him as its Cashier. His financial condition might be a reason for the defendants refusing to deal with him on his individual account, but it was no evidence of a limitation of his authority to act for a bank of which he was Cashier, and which admitted his authority to deal for it in securities.

We think the plaintiff must accept the account as a whole, and that there is no reason shown by the evidence for excluding the transactions involving the losses. As said by the learned judge: "There is no equity in the division of what was one account, as far as the defendants were concerned, into two, and thus pocket the profits of one kind of transactions, and cast upon the defendants, not the loss of others, but the failure to make more profits than it would have made if certain other transactions had not taken place."

The decree is affirmed.

JOINT ACCOUNT—DEPOSIT IN JOINT NAMES—HOW CHECKS MUST BE SIGNED.

Court of Appeals of Kentucky, October 7, 1903.

COLUMBIA FINANCE AND TRUST CO. vs. FIRST NATIONAL BANK.

Where several persons make a deposit in a bank to their joint credit, the bank must have the signatures of all of them appended to a check before it is authorized to pay it.

Where moneys belonging to a firm are deposited in a bank, a member thereof cannot employ any part of such funds to pay his debt to the bank without the consent of the remainder of the firm.

If a depositor of trust funds appropriates them to the payment of his individual debt to the bank, the latter, having notice of the character of the fund, is affected with knowledge of the misappropriation, and may be compelled to refund.

HOBSON, *J.* (omitting part of the opinion): The $32,431.69 having been deposited in the bank to the credit of B. H. Young, President, W. A. Sudduth, and H. L. Stone, and to be checked out only on checks signed by the three, Sudduth had no authority, without the consent of Stone and Young, to authorize the bank to appropriate any part of the money to the payment of his individual debt to it. The purpose of depositing the money, as it was, to the credit of three, was to prevent any one of them from appropriating it without the consent of the other two. The form of deposit showed this, outside of the parol agreement. The rule is that, if several persons make a deposit to their joint credit, the bank must have the signatures of all of them appended to the check before paying it, or it takes the risk. (2 Morse on Banking, § § 425–436.)

The money having been deposited with the bank to the credit of Young, Stone, and Sudduth, and on the agreement that it was not to be paid out except on their joint checks, the bank acquired no title to the money, which it thus held in trust, by applying it to the payment of its debt against Sudduth. The law does not permit one who has acquired possession for one purpose thus to gain an advantage; and the legal status of the bank, after the memorandum check was credited to it on the account by the direction of Sudduth, was not different from what it was before. Besides, so much of the deposit as represented the fee of Stone & Sudduth was the property of the firm, and Sudduth could not use it to pay his debt to the bank without the consent of Stone. The bank was charged with notice that one of the partners had no right to apply the partnership assets to the payment of his individual debt, and when it made the appropriation by the direction of Sudduth alone it acquired no greater rights than he had. (Jackson vs. Holloway, 53 Ky. 133.)

A partner in dealing with the firm property is a trustee for the firm. The authorities are uniform that, if a depositor of trust funds appropriates them to the payment of his individual debt to the bank, the latter, having notice of the character of the fund, is affected with knowledge of the misappropriation, and will be compelled to refund. (1 Morse on Banking, 4th Ed. § 317.) On the other hand, each of the partners having consented to the assignment made by the other to the trust company, these assignments were, in effect, the assignments of the firm, or of as much force as if they had been made in the name of the firm. True, they were partial assignments, but they were afterwards assented to by the construction company, when Young, as president, signed the checks sued on. Besides, the construction company is not complaining. No right of its is affected; and, as we have seen, equity will protect, as far as it can do so without injury to the debtor, rights acquired by partial assignments.

The rights of the trust company are not affected by reason of the fact that the bank first gave notice to the debtor of its assignments. The rule in England is that, as between successive assignees of the same chose, each being a bona fide purchaser for value, the one who first gives notice to the debtor will be entitled to preference, although his assignment is later in date. Some courts in this country have adopted the same rule, but the weight of authority in America is to the effect that among successive assignments the order of time controls. (2 Pomeroy's Equity, § 695; 4 Cyc. pp. 32, 77.)

The rule of caveat emptor applies to sales of choses in action as in other sales of personal property, and, if the seller has sold the thing to one person, and therefore has no title to pass to a second, the latter takes nothing by his purchase. The assignee's right of action is without prejudice to any discount, set-off, or defense the debtor has before notice of the assignment. (Ky. St. 1899, § 474; Civ. Code, § 19.)

The purpose of the notice is to protect the debtor in such defenses innocently acquired. It adds nothing to the assignee's title, which is perfect as between him and the assignor or those claiming under him from the time of the assignment. While the precise question appears not to have been directly passed on heretofore by this court, the principles announced lead to the conclusion indicated. (See Millar vs. Field, 10 Ky. 108; Newby vs. Hill, 59 Ky. 553; Garrott vs. Jaffray, 73 Ky. 415; Beard vs. Sharp [Ky.] 65 S. W. 810.)

Here no right of the construction company was affected by reason of the failure of appellant to give notice of its assignments to the construction company for a month after appellee's notice was given. The situation of the parties when the notice was given was just as it was a month before, and the construction company had then no defense against the assignor. The failure of appellant to give the notice sooner, having prejudiced no right, was immaterial.

It was held in Lester vs. Given, 71 Ky. 357, that the holder of an unaccepted check on a bank might maintain an action thereon. This case has frequently been followed since, and we regard the rule as settled. (Merchants' National Bank vs. Robinson, 97 Ky. 552; Weiand's Adm'r vs. State National Bank [Ky.] 65 S. W. 617, 66 S. W. 26, and cases cited.) The fact that the bank in this case claimed not to have the money on hand when the checks were drawn, is not sufficient to take it out of the rule, for the checks completed the transaction, and were the proper means for bringing to a decision the question in dispute.

Sudduth died insolvent. He was also considerably overdrawn with the firm of Stone & Sudduth. Whether there will be anything coming to him on the settlement of the firm, or what will be the rights of the bank in this event, cannot be determined in this suit, for neither Stone nor Sudduth's representative nor his other creditors are before the court.

It is insisted for the bank that the trust company should be required to exhaust the fund arising from the Mann fee before resorting to the bank fund, under the rule that a creditor having a lien on two funds, on one of which another creditor has a junior lien, will be required to exhaust first the fund not incumbered by the junior lien. But that rule has no application, as the bank is not a creditor of Stone's, and as the creditor of Sudduth it cannot impose terms on the trust company as the creditor of Stone. What may be the right of the bank to Sudduth's part of the Mann fee cannot be determined here, as the necessary parties are not before the court.

Judgment reversed, and cause remanded, with directions to enter a judgment in favor of appellant.

INDORSEMENT FOR COLLECTION—EFFECT OF.

Supreme Court of Nebraska, November 20, 1901.*

FIRST NATIONAL BANK OF HASTINGS *vs.* FARMERS AND MERCHANTS' BANK.

An indorsement "for collection and return" vests in the indorsee no general property in the paper, but merely constitutes him an agent for the purpose of collecting the instrument.†

OLDHAM, *C.* (omitting part of the opinion): The indorsement of the draft by the defendant the United States National Bank was, as appears from plaintiff's petition, as follows: "Pay First National Bank, for collection and return to United States National Bank, Omaha, Nebraska. M. T. Barlow, Cash." In the recent case of United States Bank vs. Geer, 55 Neb. 462, 75 N. W. 1088, 70 Am. St. Rep. 390, this court, after a careful re-examination of the question, determined that a restricted indorsement of this character vests no general property to the paper in the indorsee. It merely constitutes him an agent for the purpose of collecting the instrument. Hence, if the agent has paid over the funds collected by him to his principal without notice, there could be no recovery against him on such a restricted indorsement, even though a prior indorsement of the draft should prove to have been a forgery.

TRUST FUND—CHECKS SIGNED AS "GUARDIAN"—NOTICE TO PAYEE.

Court of Appeals of New York, October 6, 1903.

COHNFELD *vs.* TANENBAUM.

Where a bank account is kept in the name of the depositor as "guardian," all moneys paid into such account belong presumptively to his wards.

Where the drawer of a check adds the word "guardian" to his signature, it is notice to the payee that the funds do not belong to the drawer personally, and the payee is put upon inquiry to ascertain the authority of the drawer to apply them in payment of his own debt, or that of some third person.

CULLEN, *J.*: The action was brought by the plaintiff in his own right and as assignee of his brothers and sisters, children and wards of Isidore

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* Withheld from earlier publication by order of the court.

† The Negotiable Instruments Law provides as follows: "A restrictive indorsement confers upon the indorsee the right:

1. To receive payment of the instrument;
2. To bring any action thereon that the indorser could bring;
3. To transfer his rights as such indorsee, where the form of the indorsement authorizes him to do so.

But all subsequent indorsees acquire only the title of the first indorsee under the restrictive indorsement." (Sec. 67 New York Act.)

Cohnfeld, deceased, to recover from the defendant the amount paid to him by said guardian by three checks, aggregating the sum of $1,200.

The case was tried on an agreed statement of facts, which is extremely meager in its details. By such statement it appears that said Isidore was appointed guardian of said children on January 2, 1885. On January 1, 1886, he had in his possession moneys of his wards amounting to $10,355.79, and in March, 1892, he opened an account in the New York Security and Trust Company in the name of Isidore Cohnfeld, guardian, and deposited therein the sum of $12,000. At the same time he filed with the trust company a certificate of his appointment as guardian by the surrogate of New York county. Various deposits were made to the credit of that account, and checks drawn against it. No information is given as to the sources from which the moneys deposited were obtained, or the purposes to which the checks drawn on the account were appropriated, except that there were from time to time some moneys of the Cohnfeld Manufacturing & Trading Company, a corporation of which the guardian was manager, deposited in the account. What those sums were, or what checks were drawn against them, is not stated. From the bank account it appears that on January 1, 1893, all the moneys had been withdrawn except a balance of $61. In August, September, and December of that year the guardian drew three checks, the subject of this action, and delivered them to the defendant in payment of claims for rent he held against the Cohnfeld Company. The guardian died in April, 1896, without ever having accounted to the wards for their property. The defendant had no knowledge of the rights of the parties to the moneys paid to him, except such as was given to him by the form of the checks, which were signed "Isidore Cohnfeld, Guardian." On these facts the trial court rendered judgment for the defendant, which has been affirmed by the Appellate Division.

We think the courts below erred in their disposition of this case. From the extremely meager character of the evidence, it will be seen on final analysis that the determination of the case must be governed by presumptions. The signature to the check, "Isidore Cohnfeld, Guardian," gave the defendant notice that presumptively the funds being paid to him were not those either of the Cohnfeld Manufacturing Company or of Isidore Cohnfeld personally, and he was put on inquiry to ascertain the authority of Cohnfeld to apply the money in payment of the company's debt. (Gerard vs. McCormick, 130 N. Y. 261.)

This proposition is conceded by both the courts below. Had he made the inquiry, he would have learned the facts which have already been stated. He is, therefore, chargeable with all that those facts import, or which is fairly to be inferred from them. It is to be noted that the parties did not admit, nor did the court find, that at the time at which the checks in suit were drawn there was a dollar of the moneys of the Cohnfeld Company remaining in the accounts, nor are there any facts admitted or found from which such an inference can be drawn. The finding is that moneys of the company were deposited in the account, and payments made from the account on its behalf, but not a word as to the amount of the deposits or the amount of the payments.

It is very evident that the first question to be determined is, to whom, on this state of facts, did the moneys of the account *prima facie* belong, and this question is to be decided between the plaintiff and the defendant, the same as it would be between the plaintiff and the company were that company asserting its rights to the moneys on deposit. No evidence was given by the plaintiff to show that any of the moneys of the wards were deposited in the account subsequent to its depletion in January, 1893, and for this reason the courts below were of opinion that the plaintiff had failed to identify the moneys paid to the defendant; but it was not necessary for the plaintiff to give evidence on the subject. The account was that of the wards, or of their property. There is neither finding nor proof that the guardian embezzled the money withdrawn by him prior to January, 1893. The money may have been drawn out for investment, or other legitimate purposes, and when moneys were subsequently received by the guardian from such investments, it was his duty to again deposit them.

But if we assume that the guardian had embezzled the money, the obligation existed to make restitution, and his subsequent deposits, from whatever sources received, would be an appropriation of those moneys in satisfaction of his wards' claim against him. From such time they became the infants' moneys as against every one except one who, claiming the moneys, could show they had been wrongfully diverted. (Baker vs. New York National Exchange Bank, 100 N. Y. 31.)

In the opinion of the learned Appellate Division it is said: "It is immaterial that in this case the account was opened and continued in Cohnfeld's name as guardian. We have a mixed fund to deal with, in which moneys of different parties were mingled by one occupying a fiduciary relation to both parties, and the rights of these parties are to be settled upon equitable principles."

We entertain a different view. We think the point on which this case turns is the name and character in which the account was opened and kept. In the absence of proof to the contrary, all the moneys in that account were presumptively the property of the wards. For another party to successfully reach any part of the fund, it would be insufficient to show merely that moneys of the party had been improperly placed in the account; it would be necessary to go further, and to prove the amount so deposited; in other words, the burden of proof would rest on the claimant to establish just what portion of the fund belonged to him, and the remainder, as to which he failed to affirmatively show title, would be awarded to the party in whose name the account stood, and to whom it presumptively belonged. As already said, there is no proof in the case that at any time any particular sum on deposit was the property of the Cohnfeld Company.

These views dispose of the objection that the plaintiff failed to comply with the rule that to follow trust funds they must be identified. The funds in this case were identified by their deposit in the trust company to the credit of Cohnfeld, guardian. Nor do we see that the rule adopted in Clayton's case (Devoynes vs. Noble, 1 Merivale, Ch. Rep. 572) has any application to this case. That rule, that the earliest draft should be charged against the earliest deposits, might apply if it appeared that the moneys on deposit were insufficient to satisfy the claims of both *cestuis que trustent*—the wards and the Cohnfeld Company; but it has no bearing on the proposition that the burden rested on the Cohnfeld Company or on the defendant, who claims under it, to establish that it had any claim on the trust fund.

The judgment should be reversed, and a new trial granted; costs to abide the event.

Parker, *C.J.*, and Bartlett, Haight, Martin, Vann and Werner, *JJ.*, concur. Judgment reversed, etc.

OVERDRAFTS—WHEN CASHIER LIABLE FOR.

Court of Appeals of Kentucky, October 27, 1903.

FIRST NATIONAL BANK OF PINEVILLE vs. REESE.

The Cashier of a bank is not liable for loss incurred upon paper discounted by him, if in making the discount he exercised such care, diligence and discretion as an ordinary discreet and prudent man would exercise in the management of his own business of a like nature.

The same rule applies where overdrafts are permitted by the Cashier.

This was an action upon the bond of the defendant as Cashier of the plaintiff bank. It was alleged by the plaintiff that the defendant, while acting as such Cashier, and during the year named, he failed to faithfully and properly discharge his duty as such Cashier, in that he paid checks drawn by E. C. Richardson when he had no money to meet them, and the same were overdrafts. The defendant denied that he allowed or paid any overdrafts of Richardson, but alleged that when he was Cashier of appellant he was, by the direction and sanction of the board of directors, authorized to lend the money of the bank, and that it was the custom and usage of the bank, sanctioned, approved and acted upon by the board of directors, that if a regular depositor of the bank, who was believed to be solvent and good for the amount of a check, drew a check on the bank at a time when he did not have a deposit or funds sufficient to pay the check, the bank would advance for and lend to him the amount of the check, and, with the money so loaned, pay the check, and the amount so paid was a loan by the bank to the depositor, and a check, until paid or redeemed, was held by the bank as a "cash item;" that, at the time of the different checks of Richardson were presented, Richardson was a regular depositor of the bank, and was considered good and solvent for the amount of each and all of the checks, but did not have the money on deposit with which to pay them, and, acting under the rule and usage of the bank, he, as Cashier, advanced and loaned to him, from the funds of the bank, the money for the payment thereof, and with that money paid the checks, and held them as a loan, under the head of "cash items."

NUNN, *J.:* The appellant contends that the lower court erred in not sustaining a demurrer to the answer of appellee, claiming that it did not present any defence to the action; that a Cashier cannot avoid liability under any such usage or custom as alleged in his answer, or by the consent or direction of the directors of the bank; that, if he chose to make a loan under such circumstances, he does it at his peril, and, if loss is sustained, he must make it good to the bank. Appellant cites respectable authority to support its contention. But in the case of Pryse, etc., vs. Farmers' Bank, etc., 33 S. W. 532, which was a case the facts of which were very similar to the case at bar, the court, by Judge Hazelrigg, announced a different principle from that claimed by appellant.

In the Pryse Case the lower court told the jury, in an instruction, that if the Cashier permitted Bullock and others to overdraw their account, and loss resulted thereby, they should find for the bank the amount of such loss. This court reversed that case by reason of that error and others therein discussed. The court, in discussing the instruction referred to, used this language: "Again, the second instruction assumes it to have been negligence in itself to suffer the overdraft to Bullock and others. This is not the law of this case. If the directors might have made these loans—for that is what the overdrafts were—then the Cashier might have done so by reason of the condition already alluded to; and that the directors might have done so, under an agreement with the patrons named, seems well settled.

While denying such right to the Cashier generally, Mr. Morse, in his work on Banks and Banking, says: 'Of course, however, there is a power in a bank to allow overdrafts.' (Volume 1, § 358.) If the Cashier is held liable on this account, it must be by his failure, first, to make reasonable inquiry into the financial standing of those making the overdraft; and, second, to exercise the discretion required in the fifth instruction; and this, we add, is the criterion by which the Cashier's conduct is to be judged." The fifth instruction, referred to, said that the Cashier is not to be held responsible for any loss in discounting paper if he exercised such care, diligence, discretion, and judgment as an ordinary discreet and prudent man would exercise in the management of his own business of a like nature. This appears to be the correct rule by which to determine the liability of bank officials, where the facts appear as in the Pryse Case and the case at bar, where the Cashier, without the aid of a finance committee or the direction of a board of directors, acts upon the custom and usage of the particular bank by the advice of the President and directors individually, and upon his own judgment as to the best interest of the bank. Under such a state of case, it would seem a great hardship on him to establish any other rule to determine his responsibility.

The court gave two instructions to the jury, and by them, in effect, submitted the principles above referred to, and the jury determined that appellee, under the facts proven, observed the diligence required of him before cashing the drafts and making the loans to Richardson. Wherefore the judgment of the lower court is affirmed.

HOLDER OF BANK STOCK AS COLLATERAL—WHEN LIABLE TO CREDITORS.

Supreme Court of California, September 3, 1903.

HURLBURT vs. ARTHUR, *et al.*

In order that a person holding bank stock as collateral security may be entitled to exemption from liability to creditors, it must appear upon the books of the bank that he is only a pledgee.

If he appears upon the books as the owner of the stock, he will not be permitted, as against creditors, to show that he holds the stock simply as pledgee.

This was an action to enforce the liability of the defendant as a stock, holder in the Union Savings Bank, of San Jose, California, which institution had become insolvent.

LORIGAN, *J.* (after examining the statutes of California bearing upon the subject): It was doubtless the intention of the Legislature to make persons liable as stockholders whenever they appeared to be such on the face of the corporation books. Motives of public policy would suggest such legislation- and the fundamental idea inspiring it would be to afford the greatest protection to creditors of a corporation, and to the highest extent secure them against loss. A creditor dealing with a corporation can have no assurance of its financial responsibility except such as he gathers from the examination of the stock register to ascertain who its stockholders are; and the Legislature intended, as this was the only practical way in which the creditor could obtain information, to make the stockholder responsible to him to the extent and in the capacity his relation to the corporation appeared from the inspection of its books. It was a very easy matter for the appellant in this case, as it is equally so for persons holding stock as collateral security in any case, to have the record of the corporation show his exact relation to the stock upon the corporate books. And, as far as the validity of a pledge of stock is concerned, that could legally exist independent of any transfer upon the books of the corporation from the pledgor to the pledgee. (Spreckles vs. Nevada Bank, 113 Cal. 277.)

As the pledgee might show what the real transaction was upon the books of the corporation, the law has fixed as a penalty for his failure to do so a responsibility to the same extent that would follow had he in fact been the owner of the stock, and appearing as such upon the stock register. And we can understand how the necessity for showing the true relation in which stock of a corporation is held would be particularly applicable in cases of bank depositors, where the principal, if not the only, reliance a depositor may have for the return of his money is upon the financial responsibility of its stockholders; and he can only ascertain that responsibility by an inspection of the list of the stockholders as disclosed by the books of the bank.

If, as contended by appellant, one who appears upon the books of the bank as a stockholder is not within the exception in the section, but may relieve himself of all responsibility to depositors by showing that he holds the stock as pledgee, we would have this condition: that while, upon the face of the books, the stockholders would consist of persons financially able to meet any possible claims, yet in truth they would be but nominally so, and in reality represent undisclosed, embarrassed stockholders, from whom the depositor would be compelled hopelessly to look for payment, although he became a depositor solely upon the responsibility of the stockholders as exhibited by the books. It is no answer to say that this same condition of things might exist if the books showed that these apparent stockholders were in reality pledgees of the stock. The vital difference is that in the first instance the depositor is misled by an apparent financial responsibility; in the second, he is aware of the true condition of things, and can govern himself accordingly.

The reason for this rule of liability is aptly stated by the court in Magruder vs. Colston, 44 Md. 357, speaking of an undisclosed pledgee on the corporate books: "The reason for this is obvious. The stock stands on the books of the bank in his name, and he is thus held out to the public as a shareholder, and persons dealing with the bank have no means of knowing the nature of the contract under which he holds the stock, and have a right to presume and are led to believe that he is the absolute owner of it; and it is but fair to presume that they deal with the bank upon the faith and credit of parties thus appearing as stockholders. Stockholders are those who appear on the books of the bank as owners of shares, and who are entitled to manage its affairs; and they can only throw off the liability incident to that relation by transferring the stock. Until this is done, they continue to be stockholders within the meaning of the Banking Act. If we depart from the terms of the law, and inquire into the equities which may exist between the stockholders and third persons, it cannot fail to embarrass creditors in seeking a remedy for the wrongs which have been done by the corporation. If creditors must look beyond the legal title as exhibited by the books of the bank they can never know against whom to proceed."

As to the construction which is to be placed upon these sections of the Code we are aided in a very large measure by the construction which the Supreme Court of the United States has placed upon almost identical sections in the National Banking Act. Section 5210 of the Revised Statutes [U. S. Comp. St. 1901, p. 3498] provides that National banks shall "keep at all times a full and correct list of the names and residences of all stockholders in the association and the number of shares held by each, in the office where its business is to be transacted. Such list shall be subject to the inspection of all the shareholders and creditors of the association."

By section 5152 [U. S. Comp. St. 1901, p. 3465] thereof it is provided that "persons holding stock as executors, administrators, guardians or trustees shall not be personally subject to any liability as stockholders." It will be thus observed that the recited sections are in the main very similar to our own, and the Supreme Court in construing them has uniformly held that the books of the bank are conclusive in actions brought by creditors as to who are stockholders thereof.

In Pauly vs. State L. & T. Co., 165 U. S. 620, it is said: "Manifestly one, if not the principal, object of this requirement [listing] was to give the creditors of the association, as well as other authorities, information as to the stockholders upon whom, if the association became insolvent, will rest the individual liability of its contracts, debts, and engagements. It is true that one who does not in fact invest his money in such shares, but who, although receiving them simply as collateral security for debts or obligations, holds himself out on the books as a true owner, may be treated as the owner. * * * If, as between creditors and the persons assessed, the latter is not held bound by that representation, the list of shareholders required to be kept for the inspection of creditors and others would lose most of its value."

In Anderson vs. Phila. Warehouse Co. 111 U. S. 479, it is said: "It is well settled that one who allows himself to appear on the books of a National bank as an owner of its stock is liable to creditors as a shareholder, whether he be the absolute owner or pledgee only." (Germania Nat. Bank vs. Case, 99 U. S. 628.) And the general rule upon this subject is, that, in the absence of an express statute to the contrary, the liability to pay calls and to respond to creditors in the event of insolvency of the corporation attaches to the holder of the legal title to the stock, and the courts will not look beyond the registered shareholder, nor inquire under what equity he holds; and so one who takes stock as collateral security, and has it transferred to himself and so registered on the books of the company, will be liable to the creditors. (Cook on Stock and Stockholders, §§ 247, 253; 3 Com. on the Law of Cor. [Thompson], §§ 3192, 3194, 3213; Rosevelt vs. Brown, 11 N. Y. 156; Davis vs. Essex Baptist Soc. 44 Conn. 585, Fed. Cas. No. 3,633; Sherwood vs. Ill. Tr. and Sav. Bank, 195 Ill. 118; Holyoke Bank vs. Burnham, 11 Mass. 183; Pullman vs. Upton, 96 U. S. 330; Wheelock vs. Kost, 77 Ill. 296.)

Some of these cases cited have reference to claims of non-liability by persons who were in fact trustees, although they did not so appear upon the books of the company. They were, nevertheless, held liable, and the same reasoning which would apply in such cases is equally applicable to persons claiming exemption from liability as pledgees under our section of the Code, because any immunity from liability which is there given to trustees is equally extended to pledgees. They both stand upon the same legal plane in this respect.

We are satisfied from these authorities that, while the holder of stock as collateral security is entitled to an exemption from liability as to the creditors of the corporation, that exemption can only be availed of where it appears upon the face of the books of the corporation that he holds such stock in pledge; but that where, from the books of the corporation, he appears to be a stockholder, and there is nothing to indicate that he holds the stock as pledgee, or in any other capacity than as owner thereof, he will be held liable to creditors from the position he thus assumes upon the books, and will not be permitted to show that he is in fact simply a pledgee of the stock. As to him the books of the corporation are conclusive. (Baines vs. Babcock, 95 Cal. 593, 27 Pac. 674.)

The appellant has cited us to three authorities from three different States—Maryland, Missouri and New York—and a decision from the Supreme Court of the United States, in which these various State decisions are cited. In none of these States was there any section of the Code similar to ours in its definition of a stockholder and the extent of his liability; nor, upon their examination, do they seem to be well-considered cases. In one of them—Matthews vs. Albert, 24 Md. 527—the statement that a person appearing upon the books of a corporation as a stockholder may show that he held the stock simply as collateral security is the mere arbitrary declaration of a conclusion. No authorities are cited to sustain it, and no reasons are given showing why it is reached. Main reliance, however, is placed upon the decision from the Supreme Court of the United States—Burgess vs. Seligman, 107 U. S. 20—in which, as above said, the State authorities are referred to. In this latter case, however, the defendant held stock directly from the corporation. He held it in trust as security for money advanced, and the stock transfer book of the company showed that the stock was "held in escrow" by him. The court held that the plaintiff had actual notice and knowledge of the manner in which defendant held the stock; that he had derived a benefit from the transaction between the corporation and Seligman; and further found that, if the stock had not been issued to the defendant, it would have remained in the treasury of the corporation, and hence the plaintiff would have been no better or worse off. The peculiar conditions surrounding that case seem to have actuated the decision of the court in behalf of the defendant. It certainly does not present the same case as where a party appears upon the books of the corporation, absolutely as a stockholder, and endeavors to defeat that situation as against a creditor who is not advised that he held any other relation to the corporation than such as the corporate books disclosed.

We are satisfied that from the authorities and for the reasons suggested the judgment of the lower court was right, and it is affirmed.

RIGHT OF HOLDER OF CHECK TO SUE BANK.

Supreme Court of Iowa, October 6, 1903.

BLOOM vs. WINTHROP STATE BANK.

The holder of an unaccepted check may bring suit thereon against the bank in his own name.*

This was an action upon a check bearing date August 4, 1899, drawn upon the defendant bank for the sum of $191.10, signed by I. T. Bloom, and made payable, by its terms, to the plaintiff or bearer.

BISHOP, *C. J.* (omitting part of the opinion): Upon the question of the right of the holder of an unaccepted check to bring suit thereon in his own name, the courts of the country are not agreed. However, we regard the rule as settled in this State in favor of such right. It was so decided in Roberts vs. Corbin, 26 Iowa, 315, and the rule there announced has been either acquiesced in or affirmed in several subsequent cases. Among others are the following: Schollmier vs. Schoendelen, 78 Iowa, 426; May vs. Jones, 87 Iowa, 188; Thomas vs. Exchange Bank, 99 Iowa, 202. The reasoning upon which the rule is based is fully stated in the cases cited, and need not be repeated here.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

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

PROMISSORY NOTE—FUNDS OBTAINED FOR ELECTION PURPOSES—DOMINION ELECTIONS ACT, CH. 8, SEC. 131.

ST. PEIRRE vs. L'ECUYER (Quebec Reports, Superior Court, Vol. 23, p. 495.)

Held, There is no action for the recovery of the amount of a promissory note or of a renewal originally given for the purpose of raising funds to be used at an election.

STATEMENT OF FACTS: The plaintiffs are the heirs of the late Dr. Gatien, and bring this action on a promissory note made in favor of the plaintiffs on March 8, 1900, for $100, payable twelve months after date, signed by the defendant.

The defendant pleaded that on the voting day for the Federal election in 1896 a joint and several note for $400 was made by Dr. Gatien himself, and two others, and was discounted at the Eastern Townships Bank for the purpose of providing funds to promote the election of one of the candidates for the County of Shefford; that the proceeds of the note were used for that purpose; that the note was subsequently renewed at the bank, when the late Dr. Gatien arranged to get the money on the note of the same four parties from one Bedard, and paid the bank off; that later he paid Bedard, and defendant gave the note sued on as representing his one-fourth of the payment; and that in effect he cannot be compelled to pay the note, inasmuch as it was given without any legal consideration and against law and public order.

*This rule has now been changed in Iowa by the Negotiable Instruments Law, which provides:

"A check of itself does not operate as an assignment of any part of the funds to the credit of the drawer with the bank, and the bank is not liable to the holder, unless and until it accepts or certifies the check." (Sec. 325, New York Act.)

JUDGMENT (LYNCH, *J.*): The evidence clearly establishes the allegations of the defendant, and that the original note was given for the purpose of raising money to be used in the then pending election. Defendant relies on sec. 131 of ch. 8 R. S. C., "The Dominion Election Act," which provides: "Every executory contract or promise, or undertaking in any way referring to, arising out of or depending upon any election under this act, even for the payment of lawful expenses or the doing of some lawful act, shall be void in law."

This is very strong language and has been very strictly interpreted in our courts. Where the parties have a knowledge of the intention of the contract, it is difficult to see a way in which the statute may be successfully evaded. Our civil law is equally strict. Article 989 C. C. declares: "A contract * * * with an unlawful consideration has no effect;" and Article 900: "The consideration is unlawful which is prohibited by law."

The decisions of our courts are unanimous in holding that promissory notes given under such circumstances are illegal, and that the amount payable under them cannot be recovered. Here the late Dr. Gatien knew the purpose for which the original note was given; and were he the plaintiff in the present action it is hardly supposable that it would be concluded that he could recover. The plaintiffs, as his representatives, have no greater rights than he would have. The subsequent promise of the defendant to pay his part does not change the position; it arises out of the tainted contract, and that is sufficient.

It is said that in honor the defendant ought not to invoke such a defence; that is possible; but he has done so and effect must be given to it. The action is dismissed.

PROMISSORY NOTE—ENDORSER.

TROTTIOR vs. RIVARD (Quebec Reports, Superior Court, Vol. 23 p. 526.)

Held, The obligation of an endorser of a promissory note is a conditional one of which the condition is that the note be protested and that notice of protest be given to the endorser. Consequently the endorser has no action against the maker for indemnity, even though the note has matured, so long as it has not been protested, and that notice of protest has not been given.

STATEMENT OF FACTS: The plaintiff sued for the sum of $173.43, of which $93.43 was for work done and materials supplied and the balance of $80 was claimed on a note given by the defendant to the order of the plaintiff, which the plaintiff had endorsed and discounted with the Banque Nationale. The note was in possession of the bank at the time the action was commenced.

The defendant admitted owing $93.43 on the first count, but pleaded that the plaintiff had no right to payment of the note because he was not the legal holder of it; nor had his liability as endorser come into effect.

JUDGMENT (LANGELIER, *J.*): The facts of the case have not presented any difficulty and raised only the one question of law. The defendant signed the note sued on, which was payable to the order of the plaintiff. While the plaintiff was legal holder of this note he endorsed it and discounted it with the Banque Nationale. Before it came due the defendant became insolvent, with the result (under the Quebec law) that he lost the benefit of the time he would have had for payment of his note which became payable immediately upon the insolvency of the maker. The note, however, was not then protested and had not matured according to its face at the time of the commencement of this action.

It is under these circumstances that the plaintiff sued to be indemnified as endorser.

I am of the opinion that this action is not well founded. The obligation of the endorser of a note is not an obligation pure and simple but is a conditional obligation, and its condition is that on non payment the note be protested and notice of protest be sent to the endorser. If this is not done it follows that the conditional obligation never becomes operative against the endorser.

Against this proposition has been cited the case of McKinnon vs. Keranac, 15 R. L. p. 34; but this case was decided under the old law, article 2310 of the Civil Code, before the Bills of Exchange Act was passed. The old law declared an endorser to be equally liable with the maker to a third party. Section 86 of the Bills of Exchange Act now provides "presentment for payment is necessary in order to render the endorser of a note liable." The endorser is not bound unless presentment for payment has been made and the note protested for non-payment. This point does not seem to have been raised in the Court of Appeal in McKinnon vs. Karanac, but the Court of Appeal has upheld the view taken by me in the case of Vannier vs. Kent, R. J. Q. 11 B. R. 373.

Section 51 of the Bills of Exchange Act provides: "In the case of a bill drawn upon any person in the Province of Quebec, or payable or accepted at any place therein, in default of protest for non-acceptance or non-payment, as the case may be, and of notice thereof, the parties liable on the bill other than the acceptor are discharged."

The plaintiff argues from this, that if the endorser is discharged from liability by failure to protest a note, he must have been bound before the note matured, and therefore must have a legal status to sue before maturity.

Without doubt the endorser is bound from the time of endorsing the note, but this clause does not say he is bound absolutely; he is bound only conditionally, and it is from this conditional obligation that he is discharged by virtue of sec. 51 when there has been a failure to protest the note for non-payment. No liability as endorser has attached to the plaintiff, and he has no cause of action for indemnity.

This action must be dismissed with costs.

SALE OF BANK SAFE—WARRANTED BURGLAR-PROOF—SUBSEQUENT BURGLARY—DAMAGES.

DENISON vs. TAYLOR (Ontario Law Reports, Vol. 6, p. 93).

STATEMENT OF FACTS: The plaintiff is a private banker. who purchased a burglar-proof door from the defendants under the circumstances set out in the judgment. Shortly after the plaintiff's safe was broken open by burglars, and $2,000 carried off. This action was brought against the defendants to recover the sum of $2,000, and $250, being the price paid for the door. The further facts will be found in the judgment of Mr. Justice Street.

JUDGMENT (STREET, *J.*): The plaintiff wrote the defendants on August 27, 1902, upon note paper headed "R. E. Denison, Banker": "Can you give me a rough estimate of what a burglar-proof door with proper frame complete will cost?"

The defendant replied on August 28, 1902: "We can build you a burglar-proof door of any size and description you wish. The cheapest door we now make is $250. * * * The door we have reference to is our No. 67, the outer door being 1⅛ inches thick, the entire surface protected with hardened drill-proof plate. * * * Next better quality of door to this is one 1¼ inches thick at $400, and the next $550." In this letter they enclosed cuts from their sample book of three vault doors called Nos. 67, 68 and 69; the two latter were called "Fire and Burglar Proof Vault Doors;" No. 67 was called "Fire Proof Vault Door with chilled steel lining," and the printed note below the cut read as follows: "The above cut represents our vault doors suitable for post offices, court houses, insurance offices, etc., and are made with a lining of chilled steel, covering the entire surface of outer door."

The plaintiff replied to this: "Would No. 67 furnish a fair protection against burglars? Kindly answer this before Tuesday." The defendants replied on September 2, 1902, by telegram: "Letter just received. Number 67 door gives both fire and burglar-proof protection." On September 11, the plaintiff wrote to the defendants: "Please forward by first boat vault door No. 67 referred to in our recent correspondence, and draw on me for the amount;" and on the same day the defendants wrote to the plaintiff accepting his order. On November 11, 1902, the plaintiff wrote the defendants that the door had been blown open by burglars, and that from the ease with which the lock was forced he thought the door was defective, and that he would look to them for his loss.

From the evidence I should come to the conclusion that the handle to the spindle by which the lock is turned had been knocked off and dynamite had been introduced between the spindle and the door plates; the explosion of the dynamite then stripped the nuts which held the door plates together, and gave easy entrance to further explosives by which the door was wrecked. It appears from the evidence that less than half an hour's work by an expert would accomplish this result. The door having been taken to pieces during the progress of the trial, it was found that the centre layer of the three layers making up the door, which was supposed and represented to be hardened and drill-proof plate, was neither hardened nor drill-proof, and was easily perforated by an ordinary hand drill in a minute and a half.

I am asked by the plaintiff's counsel to construe the correspondence between the parties as containing an absolute warranty on the part of the defendants that the door furnished by them to the plaintiff was proof against the efforts of burglars, without qualification as to time or place. This, as has been pointed out in the cases, would in fact amount to a contract by the defendants insuring for years, if not for all time, the contents of the vault, whatever they might be, against burglars. Such a contract might, of course, be made, but the responsibility incurred under it would be so great that the intention of the parties to make it ought clearly to appear.

I think the circumstances here negative an intention on the part of the defendants to give a warranty so far-reaching; and it is apparent, I think, that the plaintiff did not expect or ask for one. The wood cuts taken from the defendants' catalogue, which they sent him before the contract was made, showed several doors, of which he chose the cheapest. The more expensive ones—those he rejected—were called "Fire and Burglar Proof Vault Doors;" the one he chose was called only "Fire-Proof Vault Door." He can not reasonably be supposed to have expected the same security against burglars from a cheap door, which the makers only called "fire proof," as from an expensive one, which they called "burglar proof" as well as "fire proof." His view at the time was expressed by the terms of the letter he wrote them asking whether the door in question would furnish "a fair protection against burglars." The defendant's reply to this letter was a telegram that the door in question "gives both fire and burglar-proof protection." It would be straining the language of this reply to construe it into a warranty that no fire, however hot and however long continued, could destroy the doors, and that no burglar, however skilful, could, with sufficient time at his disposal, break through them, and I must therefore, I think, determine that no absolute warranty or insurance of this kind was given. If no absolute warranty was given, then I think the warranty which was given is that which would have been created by an answer simply in the affirmative to the plaintiff's question whether the door in question would furnish "a fair protection against burglars." The defendants, therefore, I think, did warrant, in this part of their correspondence, that the door in question would furnish a fair, that is to say, a reasonable, protection against burglars; and in a former part of the correspondence, that the entire surface of the door was protected by hardened drill-proof plate, which was composed of chilled steel. The warranty that the door would furnish a reasonable protection against burglars means, I think, that so far as the thickness of the plates used would admit, the securities against burglary were as complete as the experience of safe makers could make them. The more expensive doors had thicker plates, which enabled the manufacturers to make closer fitting spindles, and so offered, or were supposed to offer, greater protection against burglars than the door selected by the plaintiff.

In my opinion, both the warranties I have referred to as having been given were broken. Through the negligence of the defendants' workmen, and not by any wilful act of the defendants, the door which they sold to the plaintiff was, as it now appears, lacking in the simplest and first requisite which should be found in a door intended to resist burglars, that is to say, a chilled steel or drill-proof lining. The lining which was intended to be drill-proof was there, but it had not been chilled, and could, therefore, be easily drilled in any part by an ordinary hand drill. This defect, however, was not taken advantage of by the burglars who robbed the plaintiff. They appear to have proceeded upon the assumption that the door was drill-proof, and they adopted another means of introducing their explosive than by attempting to drill the door. I should find upon the evidence before me that, even had their door been as complete as doors of the same thickness could be made, so far as the experience of safe makers extended at the time it was made, it would not have resisted the attack of the burglars who broke it open, taking into consideration the favorable circumstances under which they worked, and the means at their command.

The warranties given, however, have been broken, as I have pointed out, and the question is as to the amount of damages recoverable. I find that the loss of the money contained in the vault was not a natural consequence of the defects in the vault door, because the presence of those defects was not the reason why the burglars were enabled to break it open, and the result would not have been different had the defects been absent.

The ordinary rule as to damages where an article supplied with a warranty that it is of a particular character or fit for a particular purpose, proves to be of a different character or unfit for the purpose for which it is supplied, is that the purchaser is entitled to the difference in value between the article supplied and one which would have complied with the warranty. That rule is easily applied where the article actually supplied and that which should have been supplied have each some commercial value. In the present case it is difficult to apply it; the plaintiff needed a door which should afford reasonable protection against burglars, and the defendants supplied a door which they warranted would give that protection. Being applied to the purpose for which it was intended, it was found not to comply with the warranty, and was rendered practically valueless. The defect was a concealed one, and under ordinary circumstances was only discoverable by a test which would destroy it. The defendant, Thomas West, in his evidence says, that the door would not be called burglar-proof without the chilled steel plate, which this door was warranted to contain and did not contain. The plaintiff, therefore, did not get that which he paid for and which the defendants warranted he should get; what they gave him in its place has become useless and valueless while being put to the use for which it was intended. It is not, therefore, the case of a partial loss, as it would have been had it been a mere case of indifference in commercial value, but that of a total loss like that of the broken carriage pole in Randall vs. Newson (1877), 2 Q. B. D. 102.

The plaintiff is entitled, in my opinion therefore, to recover as damages the price, $250, which he paid to the defendants for the door in question, and the costs of the action.

NOTICES OF NEW BOOKS.

MONEY AND CREDIT. By WILBUR ALDRICH. New York: The Grafton Press.

A new edition of this work has been issued, and considerable matter has been added. The chapter relating to the quantity of money has been carefully re-written, and it is the belief of the author that he has succeeded in clearing up much of the confusion of theory and statement that has heretofore existed in relation to the influence of the quantity of money upon the prices of commodities.

We have fully reviewed Mr. Aldrich's book in an earlier number of the MAGAZINE, and commended it as a substantial contribution to financial literature.

ROBERT MORRIS, PATRIOT AND FINANCIER. By ELLIS PAXSON OBERHOLTZER, Ph. D. New York: The Macmillan Co.

The services which Robert Morris rendered to the cause of American independence entitle him to a high place among the list of Revolutionary patriots. As Superintendent of Finance he succeeded, under most trying circumstances, in providing the means for the successful prosecution of the war. His distinguished abilities were clearly recognized by Washington and Hamilton, who paid the warmest tributes to his worth.

Morris was instrumental in founding the Bank of North America, which helped greatly in sustaining the public credit at a critical time in the country's history.

Mr. Oberholtzer has not only given a very complete account of the public services of Robert Morris, but has written a remarkably interesting book as well.

*THE PRACTICAL WORK OF A BANK.

DEFALCATIONS AND EMBEZZLEMENTS.

IV.

Defalcations and embezzlements by bank officials or employees constitute a bridge on the road to banking which many of us seldom dream of having to cross, until a turn in our road brings the gloomy structure to view. I do not believe there will ever come a time when defalcations or embezzlements will cease, even though the Chinese method as applied to dishonest bank officials should be adopted. Human nature is weak and temptation strong. An ounce of prevention is what we want in this line, for the cure is always painful to those committing the above crimes as well as to their friends or relatives.

Such suggestions as will be made by me are the results of a banking experience from the position of night watchman to a Cashiership. I will try to begin at the top and work from the highest to the lowest person concerned in the successful work of an ordinary city bank.

THE WORK OF BANK EXAMINERS.

Let us begin first at the National bank examiner. He should be a man of practical banking experience and a successful banker, and should be appointed on account of his fitness for the position regardless of politics or influence. He should be paid a good salary on an increasing basis. This would give him full chance to do justice to every bank without having to run over some important detail. He should be put under heavy bond, and any crooked bank work which should have been detected by him at last examination and was not detected owing to ignorance or carelessness on his part, should be made good grounds for a judgment against his bondsmen. This would insure only fit men in the position of bank examiners and the men who had gone through a complete banking course at a prominent bank would then be in a far better position to detect errors and crooked work than those appointed from other lines of business. If we wanted some assaying of ore done we would not pick out a druggist to be our assayer, although our druggist may be a smart and popular man and may learn to assay in course of time, but yet not so well as the assayer who had first started as a miner and worked up for years and years. An examiner of the right kind should have a lifetime position if he perform his work well and correctly. In finding violations of the law in banks he should be required to notify all directors of such banks of such violations and have them express their excuses to the Comptroller at once for allowing such violations.

The ten per cent. loan limit should be strictly kept in force and the law so amended as to make it a personal offense and a finable one against the especial officers or directors concurring in such violations of this law. Reports of the Comptroller show quite a per cent. of violations of this law.

DUTIES OF OFFICERS AND DIRECTORS.

The discount board should meet often at the bank and should read over the loans,

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* A series of articles to be published in competition for prizes aggregating $1,050, offered by THE BANKERS' MAGAZINE. Publication of these articles was begun in the July, 1901, number, page 18.

discuss them and the collaterals, and the standing of the borrowers, with the other directors.

In the organization of a bank it should be provided by law that no director should have more stock, nor be allowed to control more, than any other bank director or official. For under the laws they are all supposed to be equally responsible for the successful and safe management of the bank's affairs, and they should be equally financially responsible. They should also be required to keep their stock in the bank free from debt. If officers and directors of a bank cannot comply with these suggestions they should sell out. Many of our banks are controlled by one or two men, although having a good set of directors and this has a tendency to make the directors of such bank's directors in name only, while they hardly realize that such is the case. If they were all equally interested in a bank then no one would hesitate about expressing his firm convictions in matters pertaining to his duty.

Each director should be required by law to state under oath that he had read the duties of a director and fully complied with them for the preceding year. We have the law swearing them that they will, but none making them swear that they have done their duty as prescribed by law.

How many of the directors in the banks of our smaller cities could give a good outline of their duties, responsibilities and powers? Each director should appoint himself a committee of one to keep eyes and ears open for his bank's interest; investigate, as far as possible, the standing, habits, associates, and extravagances of the bank officials and employees, and not hesitate to mention such things as he thought were for the bank's interest and safety.

Directors of many small National banks are entirely too lax in the strict interpretation of the banking laws as prescribed for the safe business life of such banks, and in many cases this laxity of interest on their part may be caused by the fact that they are, especially in small towns, interested just enough to become a director. The laws as laid down by the National Bank Act are wise and good and should be enforced to the letter and all directors should be held equally responsible and strictly so for infractions of such rules or laws.

Bank officials and directors should be prohibited by law from borrowing from their own bank and from creating overdrafts with such bank. They should be strong enough financially to obtain their money elsewhere. This would do away with the temptation to suddenly speculate in some imaginary good thing, as they would perhaps hesitate about borrowing from another bank to speculate with.

The Teller's Duties.

The teller is one of the most important employees of the bank and one who should be a man above suspicion, and yet should be in a measure under surveillance at all times if possible. It is true no honest man likes to be watched nor does a dishonest man, but an honest man should never object to the strictest attention on the part of superior officers as to his personal habits, his associates, extravagances, and how he invests his idle money, if any. Right here I beg to suggest that it would not be a bad idea for banks, instead of refusing their employees the right to keep an account with them, to encourage such deposits by the employees and to allow such employees interest on their balances at quite a reasonable rate. This is no more than is done by many banks to outsiders, and if such a rule be followed it will increase the tendency to save on the part of the clerks, and prevent them many times from having their salary in a lump in cash in their pockets, thus giving them a larger amount than is necessary to spend and making them feel, for the time being, "flush."

Another idea I will venture, and that is that it would promote a feeling of good will towards a bank for it to allow its employees to purchase a limited amount of the bank's stock, not at book price from some kind stockholder who wants to unload, but at much below book value, after he has served faithfully a number of years, and saved the money from his salary to pay for the stock, the bank paying the difference between book value and purchase price. It would not be a bad idea to notice if the teller or other employee has an extravagant family. Many wrongdoings have been traced to this cause.

The teller's cash should be kept in two different safes, he having the combination to but one, and that one having such cash as he actually needs in his day's business. Express money received and shipped should be received and shipped, sealed, or opened, before other than the clerk teller having final charge of same; all package money under strap or seal should be carefully counted by each receiving teller and a private seal or mark and date with other memoranda written on each label; he should be required to let outside business investments strictly alone; to be punctual and free from love of liquor, speculation, gambling or any of the customary vices. If he is found guilty of any of the above he should be at once kindly admonished in regard to it and if such a state of affairs is persisted in it would be better to remove him at once rather than to shut your eyes to his conduct, habits, or associates, outside your bank because he was a model behind the counter, or perchance was related to one of the largest stockholders or officers, and then after keeping your eyes shut for a time to suddenly have them opened by the bank reaping the harvest of what he has sown.

Bookkeepers and Other Employees.

Pass books and statements should be made out by a different clerk from the one who makes the original entry; customers required to at once report on such statements of their accounts, and errors, if any, reported to an officer of the bank for investigation. Some banks have two entirely different sets of books covering the same accounts, and check with each other at irregular intervals. This is quite a good way, although an expensive one, to keep books straight.

The Cashier's check book, exceptions to statements, certificates of deposit book, and certified check account, should all be checked up carefully and regularly, or what is better at irregular times by other than the man making entries of such respective items. All long-standing Cashier's checks, foreign drafts, certified checks, or certificates of deposit should be replaced if possible with late issues, and large amounts in such cases should be examined and verified by the bank examiner as he does other accounts in hands of banks or parties outside. Banks should encourage their customers to have their books balanced at different times during the month rather than all on the first, as it is a help to the bookkeepers and a protection to the bank.

The exchange clerks, discount clerks, collection clerks, in fact all employees of the bank, should be given at various times, without warning, leave of absence and a new man of the force put upon their work with full instructions to report any irregularities or carelessness discovered by them. This will not only relieve an overworked clerk who needs rest, but will be a check upon his work and give another clerk a chance to learn another position in the bank outside his own as well as cause his work to be checked over. The same systematic open-eyed vigilance on the part of officers and directors will necessarily have to be exercised towards all clerks in the institution even down to the janitor or office boy.

The city collection clerk and messenger can often obtain the wrongful use of funds collected by them for months and years, undetected, and the above suggestions will never fail to detect such wrong-doing on their part, unless the man put in such clerk's place should be crooked himself.

I have known three messengers in one bank to successfully carry on crooked work in their department for months, and I was assigned the task of ferreting out their methods, which was identically the same in each case, that of collecting for drafts and holding over the money until a future day, and about time for an inquiry or tracer to come in from the original owner, such amounts would be remitted from proceeds of more recent collections.

Even the night watchman and janitor should be accorded all the special favors allotted to other employees. Well do I remember of a night watchman in our city who, noticing that a clerk working after nightfall had failed to throw the combination to the vault door where some excess silver was stored, and this night watchman after the exit of the clerk procured an express wagon and hauled away some $8,000 in silver, dumping it in a lake, and defying all efforts at detection, as he carefully locked the vault door after his theft and the clerks all were ready to swear that they had not left it unthrown. He was finally caught digging up his treasure. This teaches that there is a chance even for the night watchman, and this rule should be made and adhered to that no employee should be inside of the bank after nightfall. If they cannot do the work allotted they should have help before nightfall.

The janitor in this case happened to be in the bank of which I was teller. We received a telegram from a country correspondent to ship some $5,000 currency. I put up the package after carefully counting the bills, sealed it and laid it down, after writing the receipt in the express book to be signed by the express messenger. When he came I gave him what packages I had sealed during the afternoon, and several days after we received a letter from this particular bank asking why we had not shipped the currency as ordered. The letter was referred to me for an explanation, and I at once wrote a telegram stating that we had shipped it on a certain day and referring to the receipt book I found that the receipt for this package had not been signed. As several days had elapsed and no one had acknowledged receipt of such package, I was somewhat worried. I frankly told the officers that I could not find the package, that I remembered sealing it and remembered the express agent coming to my window. After a long search without result, late in the afternoon our janitor came around and I asked him if he had seen any packages done up in brown paper lying around, and he said no; he had seen none and had touched nothing since he had helped the general voucher clerk to put away some vouchers returned from other banks. Upon referring to some old boxes kept in the vault we found the missing package of $5,000 among cancelled vouchers which are usually returned to banks in large manila envelopes. I am glad to state that I did not lose my position, but learned a valuable lesson. I evidently laid the package down on another desk in a moment of carelessness and forgot it. Such experiences show that even the janitor has a chance to defraud if he be not honest.

Any irregularities should be at once reported to an officer and all exceptions to statements or accounts should be first submitted to an officer and then rectified by a different clerk from the original entry man. This will be a safeguard and will enable an officer of the bank to have a fair idea of the correctness and carefulness of certain clerks.

In conclusion, I would suggest that all bank employees be selected from among the best of families and their records carefully looked into.

A good education is not only an important consideration for bank officials and employees to possess when qualifications are considered, but should be made a positive essential. It is true we know of many bankers, and successful ones, too, who can hardly read and write, yet because they have been successful is no reason why others would. Perhaps had these same men been well educated earlier in life they would have been ten times more successful.

Banks should use the latest and most improved methods of boopkeeping, and such systems of accurate checking and rechecking of the various departments as may arise in this age of progressive banking. Also the best of safes, with good time-locking devices, and other safety appliances such as practical usage has been found to render them an effective aid in the protection of the bank from the evil-minded on the inside as well as from the outsider.

Officers of banks should command the respect of their employees at all times, and at the same time not make the employees feel that you are too far above them to speak a kind word now and then. Many of us would not know the names of half of our boys were we to read their names in the morning paper, nor would we recognize them on the street owing to our unfamiliarity with them in their business positions, although directly at our beck and command. Let us treat our employees as men, appreciate their honest, industrious efforts to help us get rich; pay them what they are worth, counsel with them, make them feel that they are a part and an important part of the great institution for which they labor, and appeal to them by our acts and words of kindness in a manner that will make them appreciate their position fully, or as nearly so as possible, and "Let justice ever be tempered with mercy."

INDIAN.

MOVEMENT OF INTERNATIONAL SECURITIES.—Years ago Leon Say, the French economist, directed attention to a hitherto neglected factor in international trade—the movement of international securities—stocks, bills and instruments of exchange. In a letter to M. Courtois, the Secretary of the Political Economy Society of France, which made a great impression at the time, he wrote:

> "It is proved to-day that exclusive attention to the movements of the customs may furnish the most erroneous ideas of the adjustment of the great affairs of the world. What plays the greatest role in international 'compensations' are, *first of all, securities—joint stock or national—of which the movement is incessant, and which constitute the majority of articles of import and export of all countries, rich or poor.* The complexity of these transactions is, moreover, considerably increased by exchange operations which always accompany them."

Another French Economist, M. Alfred Neymarck, has endeavored to express in figures the great predominance of security values over trade values. He said: "Between 1789 and 1889 the total value of movable securities (*valeurs mobiliers*) possessed by Frenchmen in France rose from 300 million francs to 80 milliards, while general trade increased only from 1 milliard to 9 milliards." In the former case the rate of increase was 0.4 per cent., and in the latter 800 per cent.

No one has ever attempted a comparative estimate of the commercial and financial exchanges of the United Kingdom on the same basis as the one M. Neymarck made for those of France. But it requires very little consideration to show that the preponderance of securities over commodities must in our case also be very great. What the volume of the security movement may be, and whether it is growing or otherwise, the international financiers themselves may have very vague notions. It is certainly beyond the power of any theoretical statistician, however skilful and industrious, to collect sufficient data on the subject to be worth tabulating, let alone philosophising upon. The one positive fact within our reach is the preponderance of the security movement over the commodity movement. If the greater includes the less it is not international trade that includes international finance, but international finance that includes international trade. *Ergo*, to treat our exports and imports as the main items in our current account with foreign countries is to measure the dog's tail without being able to measure the dog itself.

International exchange in its widest sense has three constituents—securities, commodities and the precious metals—here stated in the order of their importance. Very probably the securities moved exceed the commodities in value by as much as the commodities exceed the precious metals.—*W. R. Lawson in London "Bankers' Magazine."*

THE CANADIAN BANK-NOTE CIRCULATION.

HOW EXTRA ISSUES ARE REMOVED.

Before lessons from the history of Canada's bank-note circulation can be profitably applied to the present American currency situation it is necessary that the different peculiarities of the Canadian system should be clearly understood; particularly is it desirable that a careful inspection be made of that part of the machinery which begins, automatically, to remove fresh notes from circulation and to press them relentlessly back upon the issuers at the very moment a sufficient supply of currency has been created. This section forms an interesting study, and in its results it is one of the most important of all.

It should be remembered at the beginning that bank notes constitute almost the whole currency of Canada. There are no silver certificates, no gold certificates, no silver dollars, very little gold, and apart from ones and twos, scarcely any Government notes among the regularly authorized currency in the hands of the Canadian public.

The Dominion Government note circulation, as reported on August 31, 1903, amounted to $39,880,065; of this the banks held $29,289,503, leaving $10,590,562 in public circulation. The bank-note circulation on the same date stood at $60,414,740; deducting $4,227,384, the amount of "other bank notes" held by the banks (mostly for the next day's clearing), we get $56,187,356 as the net amount outstanding.

The nature of the functions performed by the Dominion Government notes is revealed in the following specification of the denominations:

Fractionals, $1 and $2	$12,302,976
$4. $5, $10, $20, $50 and $100	692,089
$500, $1,000 and $5,000	26,885,000
Total	$39,880,065

The bank holdings of $29,289,503 represent probably the whole of the issue of large notes along with a couple of millions in the ones and twos required in the tills of branch banks for small change.

Although there has been in the last year an expansion of $7,000,000, or over twenty per cent., in the Dominion Government note circulation compared with an expansion in the bank circulation of $5,400,000, or about eleven per cent., the greater increase in the former has not come about in response to an increased public demand for currency; it has been due altogether to the action of the banks in augmenting their cash reserves, as the next statement indicates:

	August 31, 1902.	*August 31, 1903.*
$1 and $2 Dominion notes outstanding	$11,017,504	$11,950,069
$500, $1,,000 $5,000 " "	20,758,000	26,785,000
Dominion notes held by banks	23,045,035	29,289,503

Increase in Bank-Note Circulation at the Crop-Moving Season.

Last year the demand for extra currency to move the crops was reflected in the bank position by an increase in the bank-note circulation between July 31 and October 31 of $13,858,908. By the end of January nearly eighty per cent. of this increase was withdrawn and redeemed.

Canadian Bank-Note Circulation 1902.

July 31	$52,070,065	November 30	$64,497,641
August 31	55,085,701	December 31	60,574,144
September 30	60,965,801	January 31, 1903	55,040,987
October 31	65,928,973		

A detailed description of the mechanism by which this expansion and contraction are brought about, and of the manner in which the energetic self-interested efforts of the banks are enlisted for the work of cleaning up and clearing away this extra supply of currency at once when its work is done, will be submitted a little further on.

Safety of the Bank Notes.

The note issuing privileges possessed by the Canadian banks are extensive and valuable. With one exception * every chartered bank in the Dominion is allowed to circulate its notes up to an amount not exceeding its unimpaired paid-up capital. In return these notes must be endowed with three qualifications: they must be made absolutely safe so that involuntary holders may not suffer loss; they must be at all times payable on demand and convertible at the will of any holder into gold or legal tender; and they must pass current without discount in every section of Canada.

The safety of the notes is secured as follows: by making them a first lien on all the property of the respective issuing banks, and by the combined guarantee of all the banks in the Dominion. The stipulation that the notes of a failed bank shall bear interest at six per cent. from the date of suspension until the liquidator or Receiver announces his readiness to redeem them, prevents depreciation in the case of failure or suspension. Convertibility and exchangeability at par are effected by means of the widespread system of branches and by the employment of redemption agencies.

The Process of Expansion and Contraction.

These conditions satisfactorily fulfilled, the banks are left to enjoy their note-issuing privileges free from tax or oppression. As the business is profitable they endeavor to keep outstanding every dollar they possibly can. When they have reason to apprehend a sustained demand for currency exceeding their powers of supply, they do not hesitate to increase their capitals in order to extend those powers. In a sense, therefore, it may be said while the present regulations continue in force, and while there is in Canada capital available to take up the fresh issues of bank stock, that the true limit to the bank note circulation is the currency requirement of the country. With these circumstances kept in mind it is easy to perceive how the bank-note circulation commences to expand just as soon as the commerce of the country and the productive energy of the people enter into that especial activity which always characterizes the fall and early winter; how each one of the hundreds of branch banks becomes an agent, industriously paying out and scattering abroad the piles of promissory notes until then lying like so much waste paper in the vaults of the reserve city and head office banks.

But it is not quite so apparent to the casual observer how, under a different set of circumstances, when commercial activity is declining and the productive energy of the people slackening, the efforts of these self-same branch banks devoted to the self same ends bring about a directly contrary effect. To make this point clear the two processes—expansion and contraction—will be described as they take place at

* The Bank of British North America is incorporated by Royal charter; its stockholders are not liable for the debts of the bank beyond the amount paid for their shares. As all other bank stocks in Canada carry double liability for their stockholders, and as this forms an additional safeguard for the note holders and creditors, the unsecured note issue of the bank named above is restricted to seventy-five per cent. of its capital.

three different kinds of branches, viz., at branches established in small country towns where no opposition is met; at branches in towns wherein other banks also are working, and at reserve city branches.

As it represents no lock-up of capital a full supply of the bank's notes is kept at all its branches. During seasons in which the bank is not circulated to its limits these are paid out to the exclusion of all others. Bank note issues in denominations less than $5 are prohibited. Owing to the grudging manner in which the banks at one time furnished small bills ($1 and $2) to their customers, a law was enacted which gives the creditor of a bank the right to demand from it $100 in Dominion Government $1, $2 and $4 notes in any payment exceeding that amount.

The machinery for the extension of a bank's circulation is not confined to its branches or its staff; its customers and friends are also expected to lend their best efforts to the work. A business concern in Canada, except in the case of its being a very large corporation, is asked to confine its borrowings and its account to one bank. When an application for a line of credit is submitted to the head office, considerable emphasis is laid on the probable effect of the business on the bank's circulation; if it can be regarded as a good circulating account that is held to be an inducement towards granting the credit.

In the late summer, just as soon as the heavier movement of farm produce begins, the little country branch begins to pay out its notes in larger volume. Cheese factories, grain buyers, live-stock dealers—all want currency, and the branch supplies their needs by paying off their deposits, by granting them loans, or by cashing their checks and sight drafts drawn on a commercial metropolis. These and other customers are asked to bring into the bank all the notes of other banks which they may receive, and to exchange them for their own bank's notes, so that it may derive the full benefit from their accounts.

The payments, then, at the small branch consist altogether of its own notes, along with a few Dominion Government ones and twos for small change; the receipts are composed chiefly of its own notes, and those of other banks, which are called "sundries." The former it immediately pays out again; the sundries it ships to the nearest point at which redemption will be made as soon as a parcel of one or two thousand dollars is accumulated. It obtains from nearby depot branches such supplies as it needs of its own notes.

At the second class of branch the process is exactly similar with the exception that the notes of the competing banks in town are exchanged daily instead of being shipped for redemption.

At the reserve cities the situation is complicated by the receipt of parcels of sundries from the outlying branches, and by the shipments in return of the bank's own notes. These sundries are sorted up and sent in for redemption as quickly as possible; the stock in hand of the bank's own notes is replenished when necessary by supplies from head office. All settlements for daily exchanges of notes and collections for a whole province or district are made at the reserve cities; at all branches outside the settlements are merely passed on by drafts.

What has been described is what takes place in theory. Eight or ten years ago, when the capitals of the banks were far in excess of the country's utmost currency requirements, this was also what took place almost universally in practice. But within the last few years the rapid commercial development of the Dominion and the rise in commodity prices have resulted in the currency requirement nearly overtaking the capitalization of the banks. The redemption operations are modified now by the fact that as each bank reaches its limit of circulation it ceases altogether to act as an agent for redemption. The smaller capitalized banks run so close to their limits all through the year that the slightest extra demand carries their note circulations as high as they dare let them go. This point once reached, they must buy the circulation of the larger banks.

The circulation is watched very closely in bank head offices. In the case of the large banks the branches send weekly reports of their holdings of the bank's own notes. Care is exercised to have the notes placed at the beginning of the fall in various strategetic posts. As the quantity held by the branches gets less and less, and the bank's advances swell up through the purchase of grain drafts, etc., or its cash increases if, not being itself in the grain business, it sells its circulation to other banks who are, the amount in circulation gets bigger and bigger. Over circulation is punished by very heavy penalties ranging from a fine of $1,000 for an excess of $20,000, all the way up to $100,000 for an excess of $200,000. Consequently when the figures get reasonably close to the limits, instructions are sent to the branches to cease forwarding sundries for redemption, and pay them out instead. Just as soon as the largest banks get in this condition the machinery for redemption all over the country ceases to operate. This state of affairs continues until some of the largest banks find their receipts of currency exceeding their payments; the circulation returns from the branches disclose a falling off in the notes outstanding. This is taken as a sign that the tide has turned, and straightway the branches are ordered to resume the forwarding of sundries, and to pay over the counter the bank's own notes exclusively. This change of front speedily reduces the note circulations of the other lesser banks; they in turn join in the movement. Soon all are again employed in pressing in notes for redemption; the machinery is working at full capacity. To meet the return flow of their notes the banks have got to exchange them for a deposit liability, or to redeem in cash or set-offs. To do this they must exact payment of short-date debts bought through their note issues, or call in loans from the stock exchanges. The absolutely certain knowledge which they have that the extra note circulation will come home by January at the latest, prevents their investing in lock-ups or long winded loans.

Applying the Canadian System to the United States.

Now, to apply this to the situation in the United States. A glance at the figures at the beginning of this paper, showing the denominations of the outstanding notes of the Dominion Government, will show something of the power possessed by banks to discriminate for or against any particular kind of currency. Let the reader note carefully the insignificant extent of the circulation attained by the Dominion Government $4, $5, $10, $20, $50 and $100 notes. All combined, these issues amount to less than a million. Why? Because they alone of the Government issues come into competition with bank notes. If the privilege of issuing notes against commercial assets is conferred on the banks of the United States, it must be in a form which the banks find profitable or it will not be used. Again, if it is to be made profitable to the banks they will see to it that their note issues at least remain outstanding all through the year; if notes must come into the banks it will probably be legal tenders, silver and gold certificates—the notes in fact that are eligible for reserves, and against them it would be quite possible for the banks to expand their loans. Such expansion would be the result indirectly of a sluggish redemption of the asset notes. As the banking system of the United States would not permit the granting to the banks of note-issuing powers sufficient for them to create the whole currency of the country, such as is done in Canada, and as it seems necessary to secure the proposed notes by some specific fund or other tangible security rather than by the general credit of the banks, it is quite probable that the best way out of the difficulty would be something in the nature of Secretary Shaw's latest proposal—to make the issue of asset currency by the banks profitable only when the demand for circulating medium is urgent, and to lay on the notes a tax sufficient to drive them in just as soon as the demand for them ceased or fell off.

H. M. P. Eckardt, *Merchants' Bank of Canada.*

Montreal.

A NATIONAL CLEARING SYSTEM.

The country check has long been under discussion in banking circles in the larger cities. With the growing competition and the consequent narrowing of the margin of profit, various methods have been adopted to minimize the expense of handling out-of-town items. The New York Clearing-House Association has established a scale of exchange charges—a method that is being introduced into a number of cities, and which works very well until the charges become generally adopted in all cities, when the charges of the various cities offset one another and leave the situation precisely as it was before.

Perhaps the best method thus far contrived for handling country checks is that of the Boston Clearing-House Association, which has arranged to collect at par practically everywhere in New England. The only expense incurred by the New England banks in the collection of their checks on that section arises from the loss of time, while the cost of the system to the Boston banks is a mere fraction of the cost of handling foreign checks in other sections of the country.

Before entering upon the scheme indicated by the title of this article, it may be well to call attention to the method of transmitting funds between branches of the great banking systems abroad, viz., one branch may draw on another, crediting the amount to the head office under advice; while the branch drawn upon pays the draft, charging the head office. In other words, the items are handled directly between the two branches, while the accounting is done at the main office. The same method can of course be employed in the collection of checks. The saving of time is obvious.

Combining the Boston and European methods, the national clearing system which this article advocates is as follows:

1. A national clearing-house to be established at New York.

2. The associated banks there to make arrangements with as many banks throughout the country as possible to accept and remit New York funds to the national clearing-house in New York for any checks on themselves coming from any bank in the United States that is a member of the national clearing-house association.

3. The members of the national clearing-house association to send all checks directly to a member in the city on which they are drawn.

4. The banks receiving to remit for the checks upon date of receipt in New York funds to the national clearing house for the credit of the sending banks.

5. The national clearing-house association to collect the remittances through the New York Clearing-House and distribute the funds to the New York correspondents of the banks for whose credit remittances are made.

6. The New York banks to collect their own country checks precisely as the Boston banks do. Remittances would of course not all come in after two days as in Boston, but the writer thinks that the Boston system easily admits of extension to cover a wider territory with longer periods allowed for collection.

Naturally, the first question that a practical banker will ask regarding this solution of the country-check problem will be—Is it feasible? How would it work in actual operation? A few suggestions as to the possible details of operation (though other methods might work equally well) will therefore not be amiss. Suppose, for instance, that a Cleveland bank has a check for $500 on New Orleans. The check is sent direct to the New Orleans bank on which it is drawn and the amount charged to the national clearing-house association on the books of the Cleveland bank. The New Orleans bank would charge the check to its customer's account and remit $500 in New York funds (the question of exchange will be considered later) to the national clearing house for credit of the Cleveland bank. This remittance might be made by means of a duplicate or "carbon copy" draft having a space on the end like the modern voucher check, in which would be placed the date of Cleveland's remittance, the amount, and the name of the Cleveland bank for whose credit the remittance was intended. At the national clearing house the draft would be separated from the carbon copy and the former collected through the New York Clearing-House. The carbon copy would be entered to the credit of the "Cleveland bank, N. Y. correspondent, —— Bank." All the carbon drafts for the credit of the Cleveland bank coming into the national clearing-house on one day would be added together and credit given the New York correspondent at the New York Clearing-House (in a lump sum including the credits for all of its other correspondents determined in the same manner). This credit would be either added to or deducted from the bank's credit or debit balance at the clearing-house on that day. The carbon drafts would then be turned over to the Cleveland bank's correspondent and the total posted (itemized, if desired) to the credit of that bank, the carbon drafts being then sent to Cleveland as advices of credit. If it were desired to have a copy of these credit slips for the bank's files, the drafts could be made out in triplicate by the carbon process almost as readily as in duplicate, although in the writer's opinion the bank's record, together with that at the national clearing-house, would be ample for the detection of errors. The Cleveland bank, upon receipt of the advices mentioned, would credit the national clearing house association (which account would be practically the same as the collection ledger now in use) and debit its New York correspondent. This, of course, is merely a hint regarding the method to be pursued, not an elaborated plan. The detailed method to be pursued by the New York banks in collecting their own country checks would not differ materially from that followed in Boston now and need not therefore be outlined.

It will be noticed that nothing has been said of exchange charges. It is obvious that, taking the United States as a whole, as much exchange is paid somewhere as is received elsewhere; that is, the exchange charges of the nation cancel each other, and the average bank (average is used deliberately) neither gains nor loses through its exchange account. It is believed, therefore, that in view of other advantages of a national clearing system, exchange charges throughout the country could be abolished. The enormous amount of clerical labor that would be thus saved, not to mention the time of officers spent in making collection arrangements, etc., requires no comment.

The main advantages of the system, however, is the saving of time in the handling of country checks. If the bulk of the banks of the country could be induced to enter the national clearing-house association (or if even one bank at each point were obtained) practically every country check would be sent direct, whereas checks now frequently wander for a week or more before reaching their destinations. It is the usual thing in New York to be asked for a duplicate from three to six weeks after the original has left the bank.

But that is not all. Even when a check is sent direct under the present system, the plan advocated would be more rapid. Take the Cleveland instance again. Suppose the Cleveland bank sends to its New Orleans correspondent direct and receives a New York draft by return mail. The draft must first go to Cleveland and pass through the books of the Cleveland bank before being forwarded to New York for collection, thus taking at least a day longer than the system proposed. This under the most favorable circumstances. Take an instance not so favorable. Suppose a Syracuse bank has an item on Lancaster, Ohio. A not unusual course for the check to take would be first to New York, then to Cleveland, then to Cincinnati, then to Columbus, and finally to Lancaster, losing a day at each place and requiring the clerical labor necessary to pass it through the books of five banks, and the credit through the same books on its return to Syracuse. Under a national clearing system, Syracuse would send direct to Lancaster and receive credit in New York, as above outlined. The former method takes about nine days, while the latter would take perhaps four or five at most. Nor is this an extreme instance. An estimate of the time and labor saved in the entire United States in a year would be interesting.

It may be objected that the country banks would not accept such a system on account of the large amount of New York exchange which they would be compelled to carry. But would the new plan require so much more New York exchange for its operation than the present method, in which accounts between banks are largely settled in New York exchange? In individual cases, where it required more New York exchange, it would require less exchange on other cities.

Again, it may be said that the country banks would object to having their checks returned to them direct for payment instead of by the present roundabout methods which give them the use of their depositors' money for a week or ten days after it has been checked against. The answer is obvious. What the average bank loses by paying its customers' checks sooner, it gains by collecting its out-of-town checks sooner, and the national benefit is that there are less "uncollected checks" everywhere.

If space permitted, it might be shown how a national clearing system, such as is here outlined, could be further developed by the lumping of each city's business at its local clearing house, thus effecting an enormous saving of postage annually for the whole country. And it might be further shown how readily this system would lend itself to the issue of bankers' money orders by any bank in the United States payable at any other bank in the United States, the credits and debits being arranged through the national clearing-house on advice of the banks. But the writer trusts that enough has been said to bring the subject to the attention of the thoughtful and progressive portion of the banking fraternity. OSCAR NEWFANG.

THE SILVER STANDARD IN MEXICO.—In the November number of the "Yale Review," Morrill W. Gaines discussed the effects of the silver standard in Mexico. Regarding the condition of the unskilled laborer, he says: "There is nothing fundamental which compels poverty. Yet the wage of the laborer in the main inhabited portion of the country, which wage serves as base for the wages of the cities also in the case of unskilled workmen, generally runs from twenty five to fifty cents silver a day, or the equivalent of about ten to twenty cents gold. Semi starvation is widely prevalent, more especially when the rains fail and the local crops are below standard. The food is always insufficient to sustain a high degree of vitality; the dwellings are mere huts or hovels; the clothing, cotton rags. The pittance of toil barely supports existence, and by long inurement to the idea that nothing more is required of labor, the peon has given up all attempt to rise by his work, saves no money if he has it to save, and makes no effort to better his efficiency or the conditions of his life.

The silver standard has had its full share in grinding the working man down into the mire and in prolonging the gloomy state of the masses. Its action has been partly direct through the slow enhancement of the cost of living, but mainly indirect because of its influence on capital. It has prevented the full expansion and diversion of the demand for labor that would naturally have been expected to follow from the building of the railroads."

CANADIAN BANKING, COMMERCE AND MANUFACTURES—A QUARTERLY REVIEW.

Progress in Industrial and Commercial Circles.

The ordinary statistics dealing with customs and inland revenue, imports and exports, railway earnings, bank clearings and saving deposits, give evidence of the progress and prosperity in industrial and commercial circles in Canada. With continued heavy yields of agricultural produce, greater development of manufacturing and transportation enterprises and rapid growth of export trade, the resources of the country have increased mightily, giving satisfaction with present conditions and a hopeful outlook for the future. The population is increasing at an unprecedented rate, the arrivals for the nine months of the present calendar year, ending October 1, numbering 108,084, or 39,182 in excess of the total for the same period of last year. The commercial insolvencies also make a more favorable exhibit than in the corresponding months of 1902, and show the strength and solidity of the foundation upon which Canada's commercial structure is based.

Revenues and Expenditures.

The financial statement of the Dominion shows a total revenue for the three months ending September 30, of $17,833,104, and an expenditure of but $4 691,305. For the same period last year the revenue was $15,187,867 and the expenditure $7,-976,993. The revenue has grown very steadily, the receipts for the past three months being $2,645,737 in excess of the first quarter of the previous fiscal year. The following is a comparative statement of the receipts for the three months:

	1902.	*1903.*
Customs	$9,099,085	$11,020,085
Excise	2,834,455	3,131,724
Post office	890,000	1,000,000
Public works	1,750,746	2,032,246
Miscellaneous	613,070	649,098
Totals	$15,187,356	$17,833,104

Agricultural Development.

The agricultural industry of Canada, both as regards actual production and the commercial value of the products, is in a very prosperous condition. The most satisfactory consideration is the abundance of the harvest, not only of grain, but also of other varieties of field produce.

It is estimated that the wheat crop of Manitoba and the Territories this year will be between sixty and sixty-five million bushels. Although the total wheat yield in the Canadian west will fall short of last year, the prospects are that, owing to increased prices, this year's crop will net the producer considerably more than that of 1902. At present prices it will realize about $42,000,000, compared with $36,850,000 last year.

The total value of the yield of oats is $8,500,000, compared with $13,950,000 last year.

The total value of the barley yield is $3,815,000, compared with $3,750,000 last year.

The total value of the flax yield is $600,000, compared with $375,000 last year.

The grand total value of the four crops is thus estimated to be $57,020,000, compared with $54,925,000 last year.

The growing importance of the trade in apples is attracting attention in connection with the export trade of the Dominion. Up to the close of September the total shipment from Montreal and Atlantic ports so far this season aggregate over 800,000 barrels, or nearly double the quantity shipped during the same time last season.

Canadian Foreign Trade.

Canada's foreign trade has started magnificently on its career of expansion for the fiscal year 1903-4. The aggregate value for the quarter ending September 30 reached a total of $133,758,124, which was $21,506,588 more than for the same period of last year. The total imports for consumption were $66,895,837, and the exports of domestic produce were $61,479,884, as against $51,505,768 of imports and $57,493,585 of exports in the same period last year. The dutiable goods imported totaled $39,579.910, an increase of $6,409,382. The imports of free goods reached $24,940,898, a gain of $7,226,986. Exports of agricultural products show an increase of $2,517,499, and mineral products an increase of $1,692,793. There was a falling off of $1,393,770 in exports of forest products, while animals and their produce reveal an improvement of $760,397, and manufactures of $535,168. The following is a comparative statement of the exports for the three months:

Domestic Exports.	*1902.*	*1903.*
The mines	$9,882,576	$11,515,389
The fisheries	2,502,940	2,403.815
The forest	14,106.067	12,712,297
Animals and their produce	21,063,541	21.823.938
Agriculture	5,631,252	8,148,951
Manufactures	4,332,148	4,867,316
Miscellaneous	34,861	8,178
Totals	$57.493,585	$61,479,884

Fishing Industry.

The past season has been a poor one for the fishing industry in Canada.

the total pack of salmon on the Fraser River during the season just closed is 197,798 cases, as against 327,095 cases last year. No fair estimate of the pack on the northern provincial coast has yet been received from the north.

Transportation Interests.

The transportation interests in Canada were never so keenly on the alert for the extension and improvement of their various systems as at the present time. The construction of the new Transcontinental Railway will involve for the next five years an unprecedented distribution of money for wages and material. Besides considerable new work, the existing lines are engaged in greatly improving their road beds and other facilities.

The freight handled by the Canadian Pacific Railway and Grand Trunk Railway is enormous, and both roads are taxed to their utmost capacity to find cars for the extraordinary large volume of freight that is pressing for shipment at the different points.

The gross earnings of the railways in Canada for August were $4,076,154, a gain of $521,970, or 14.7 per cent. over the same month of last year.

The Manufacturing Industries.

Unusual activity has marked the progress of the manufactures of Canada during the past few months.

During the month of September the great Dominion Exhibition was held at Toronto, at which were displayed products of Canadian factories from ocean to ocean.

The display of products there shown was a revelation to the many thousands of Canadians who were present, few of whom had ever before realized the extent to which the Canadian market was being supplied by Canadian factories.

Following this there was the great meeting of the Canadian Manufacturers' Association in Toronto. This was an organization of some 1,300 of the largest manufacturers in the Dominion, who have this active, strong organization for safeguarding their interests in matters legislative and fiscal, and also in the great questions that affect them in the field of transportation, and in the labor problem as well. The note that was sounded at this meeting by the various speakers, as they discussed different questions, showed that the industrial interests were rapidly expanding, and were now obtaining a strong foothold throughout the Dominion.

Following this there was a large special excursion of the manufacturers of Eastern Canada through Manitoba, the Northwest and British Columbia. While largely a pleasure trip, the object was a business one, and the effect has been to kindle feelings of warmer attachment between Eastern and Western Canada. The effect of this will lead largely to encourage the manufacturers of Canada to further extend the Western Canadian market, and will also give them, in the lines of the western consumers, a preference over the goods that have been previously imported from other countries.

Strikes are not now interfering with the output in manufacturing centers, but the scarcity of skilled labor is a serious factor in this connection, and to that is attributed the inability of the manufacturers in many lines to keep the supply equal to the demand.

Many industrial corporations have been promoted in Canada during the past three months, and several increases have been made in the capital of other incorporated companies, but in almost every case the expansion of the business that has followed such action, and the larger earnings that have accrued, have fully justified the wisdom of such increases in capitalization as have been made.

Mineral Development.

The present year promises to surpass the record of 1902 in the aggregate mineral production. The total output of metallic and non-metallic minerals for 1902 was valued at over $70,000,000 as compared with $69,209 305 during the previous year. Nova Scotia leads in the record of the Provinces, with an output of $19,501,130, and British Columbia is second, with $17,486,550. Ontario holds third place, with $13,-577,440, a gain of over $2,000,000 compared with the previous year, and the output of the Yukon, $12,600,000, is fourth in the record of Provinces and Territories. Quebec produced to the value of $4,000,000 ; Alberta, Manitoba, and the other Territories $2,515,953, and New Brunswick about $1,000,000.

The year was one of exceptional activity in the production of coal and coke, iron and steel, nickel, copper, and asbestos. The total production of coal for the year was 6,550,528 tons, of which 4,725,480 tons were mined in Nova Scotia, while British Columbia contributed over a million and a quarter tons. Over two million tons of bituminous coal were exported.

The Lumbering Industry.

The lumber industry is in a prosperous condition at the present time. The exportations of sawed lumber from Canada to the United States during the year, which ended with June 30 last, amounted to 719,135,000 feet, valued at $10,596,066, or at the rate of $14.91 a thousand. The lumber consists mainly of pine and spruce.

Banks and Banking.

The statements of the Canadian chartered banks for the past quarter show continued growth in the business of the Dominion. Presented below in a condeused form are the statements for July, August and September 1903.

LIABILITIES.	July, 1903.	August, 1903.	September, 1903.
Capital authorized	$96,326,666	$97,046,666	$97,046,666
Capital paid-up	77,093,666	77,617,886	78,057,190
Reserve funds	48,122,212	48,289,780	48,897,498
Notes in circulation	$57,563,665	$60,414,740	$63,741,270
Dominion and provincial Government deposits	$6,794,542	$6,122,116	$7,886,296
Public deposits on demand in Canada	110,542,900	111,735,920	116,701,497
Public deposits at notice	271,597,201	273,770,645	275,081,027
Deposits outside of Canada	36,349,191	34,709,511	35,391,668
Bank loans or deposits from other banks, secured	579,948	474,534	515,428
Due to other banks in Canada	4,198,658	4,591,695	4,553,233
Due to other banks in Great Britain	5,270,959	5,887,935	3,863,586
Due to other banks in foreign countries	1,561,076	1,386,563	1,423,813
Other liabilities	10,821,812	10,960,702	10,732,913
Total liabilities	$505,280,024	$510,054,432	$518,890,806
ASSETS.			
Specie	$14,073,865	$14,232,456	$14,717,111
Dominion notes	29,742,431	29,289,508	30,330,480
Deposits to secure note circulation	3,130,344	3,130,844	3,180,844
Notes and checks on other banks	16,411,627	16,998,887	18,069,250
Loans to other banks, secured	589,972	474,534	515,428
Deposits with other banks in Canada	5,064,725	5,321,131	5,727,632
Due from banks in Great Britain	3,711,374	3,818,961	5,936,832
Due from other banks in foreign countries	17,197,942	16,414,017	18,240,336
Dominion or provincial Government debentures or stock	11,840,264	11,498,222	11,142,682
Other securities	52,147,092	51,914,053	52,562,189
Call loans on bonds and stocks in Canada	41,881,065	41,424,670	41,650,056
Call loans elsewhere	36,382,605	38,942,855	36,538,040
Current loans in Canada	363,586,174	368,641,999	378,633,072
Current loans elsewhere	22,226,350	22,450,523	24,118,210
Loans to Dominion and Provincial Governments	1,286,312	1,235,950	1,471,990
Overdue debts	2,199,555	2,163,506	2,042,238
Real estate	835,697	836,722	787,154
Mortgages on real estate sold	724,969	725,372	717,954
Bank premises	8,420,051	8,438,438	8,625,443
Other assets	10,532,557	8,663,097	6,747,406
Total assets	$641,985,639	$646,640,915	$656,704,532
Average amount of specie held during the month	$14,257,291	$14,106,127	$14,449,361
Average Dominion notes held during the month	29,067,961	29,016,004	29,264,103
Greatest amount notes in circulation during month	60,640,008	61,600,333	65,069,739
Loans to directors or their firms	11,209,805	10,960,294	11,578,494

The statement of the condition of the banks in Canada on August 31 reflects the expansion in note circulation generally looked for at this season. There was an increase of nearly $3,000,000 during the month, and the total of $60,414,000 compared with $55,035,000 a year ago, or over $5,000,000 in excess of that time. Call loans in Canada show a slight contraction for the month, but they are $8,640,000 less than a year ago, when speculation on the stock exchange was rampant. This class of loans made by Canadian banks outside of Canada increased over $2,500,000 in August, but they are $18,500,000 less than a year ago. Business discounts in Canada increased over $5,000,000 per month, and they are nearly $72,000,000 more than a year ago, while discounts of Canadian banks outside of Canada are now $7,700,000 less than on August 31, 1902. Deposits of the banks now aggregate $420,216,000, as compared with $390,176,000 a year ago, an increase of $30,040,000.

The report for September shows continued growth in the business of the Dominion. In the item of deposits by the public, the figures show another increase of upwards of six millions for September over August, and nearly $32,000,000 a year ago. The call loan item shows a little change from the previous month, apart from the fact that there was a further contraction in the loans outside of Canada to the extent of two millions and a quarter. The Canadian account in call loans remains about steady at $41,650,000, which is, however, over $10,000,000 less than it was a year ago. In the matter of current loans in Canada, it is evident the banks have had to meet an increasing demand on the part of merchants, manufacturers and others, as there has been an increase of some five millions in that item, bringing the total up to $373,633,000, compared with $368,641,000 in August, and $303,518,000 a year ago. There has also been an expansion of current loans outside of Canada, the total having been increased to $24,118,000, compared with $22,450,000 in August. There has, however, been considerable contraction in the item within a year, as the loans elsewhere than in Canada a year ago were $35,872,000. Circulation increased by $3,000,000, and is now $63,741,270, or approximately $3,000,000 in excess of the corresponding month a year ago. Dominion notes outstanding aggregate $30,000,000, or $7,000,000 more than a year ago. The paid-up capital of the banks now exceeds $78,000,000, so there is still a large margin for expansion in circulation. The authorized capital of the banks is rapidly nearing the $100,000,000 mark.

The chief items in the report, with comparative figures, follow :

ASSETS.	*Sept. 30, 1903.*	*Aug. 31, 1903.*	*Sept. 30, 1902.*	*Sept. 30, 1901.*
Specie	$14,717,111	$14,232,456	$12,501,727	$11,806,127
Dominion notes	30,330,480	29,289,503	23,145,990	20,002,475
Balance due from United Kingdom	5,936,832	3,818,961	6,348,566	5,330,785
Balance due elsewhere	18,240,836	16,414,017	15,299,173	17,778,306
Government securities	11,142,682	11,498,222	9,680,043	11,467,476
Municipal securities	14,704,363	14,638,712	14,419,232	14,222,180
Other securities	37,857,826	37,275,341	35,864,715	32,283,676
Call loans in Canada	41,650,056	41,424,670	52,139,567	38,158,858
Call loans elsewhere	36,538,040	38,942,855	49,853,547	44,326,826
Current loans in Canada	373,633,072	368,641,999	303,518,223	286,195,554
Current loans elsewhere	24,118,210	22,450,523	35,872,043	27,806,614
Overdue debts	2,042,238	2,168,506	1,969,702	2,033,105
Real estate	787,154	836,722	826,668	920,477
Bank premises	8,625,443	8,438,097	7,161,593	6,656,283
Total assets	$656,704,532	$646,640,915	$610,927,824	$553,954,604
Loans to directors	$11,578,494	$10,960,294	....	....
Average amount specie	14,449,361	14,106,127	....	....
Average amount Dominion notes	29,264,103	29,116,004	....	....
Greatest amount of notes	65,089,739	61,600,333	....	....
LIABILITIES.				
Capital authorized	$97,046,666	$97,046,666	$81,626 666	$75,826,666
Capital subscribed	79,098,656	78,719,157	72,162,016	68,548,166
Capital paid up	78,057,190	77,617,886	71,084,350	67,486,687
Reserve fund	48,897,498	48,260,842	41,130,286	36,903,355
Cirulation	63,741,270	60,414,740	60,965,801	56,027,407
Deposits on demand	116,701,497	111,735,920	112,001,084	96,866,910
Deposits on notice	275,081,027	273,770,645	247,813,411	228,015,362
Deposits elsewhere	35,391,668	34,709,511	38,041,688	31,465,489
Balance due to United Kingdom	3,863,586	5,887,935	3,596,826	6,416,019
Balance due elsewhere	1,423,813	1,386,563	1,931,261	881,627
Total liabilities	$518,890,806	$510,054,432	$473,090,403	$441,047,679

An interesting feature of the bank statement for September is the call loan account of each bank. It will be seen in the following list that the Dominion Bank still ranks as the biggest lender of call money in Canada, while the Montreal has little or no competition in the matter of loans outside of Canada. The list is as follows:

	In Canada.	*Outside Canada.*
Montreal	....	$20,509,600
Dominion	$5,489,842	....
Merchants	3,715,518	8,009,700
Imperial	8,217,899	....
Commerce	8,069.965	5,605,319
Nova Scotia	2,486,924	2,844,208
British North America	2,387,605	8,557,167
Hamilton	2,856,465	....
Traders	1,906,286	....
Molsons	1,898,009	....
Quebec	1.714,046	....
Royal	1,785,389	....
Sovereign	1.679,441	....

Canadian bank clearings for the dates named at three of the leading cities, with comparisons were:

	Oct. 22, 1903.	*Oct. 15, 1903.*	*Oct. 23, 1902.*
Montreal	$25,521,493	$20,427,107	$25,092,690
Toronto	17,747,859	12,749,054	19,092,978
Winnipeg	6,680,702	....	5,398,967

The following statistics show how the resources and loans of the Canadian chartered banks have changed since 1897:

BANK ITEMS.	*1903.*	*1897.*	*Increase since 1897.*
Capital paid-up	$76,660,301	$62,285,200	$14,375,100
Reserve fund	47,973,800	27,224,000	20,749,800
Circulation	58,865,800	41,580,000	17,285,900
Deposits	415,173,100	215,366,200	199,806,900
Loans and discounts	385,273,300	208,485,600	176,787,700
Call loans in Canada	40,876,900	18,308,700	22,568,200
Call loans out of Canada	39,509,700	....	39,509,700
Total loans	465,659,900	226,794,300	228,865,600
Total assets	641,985,300	356,539,400	285,445,900

The resources of the banks in capital in circulation and deposits in 1897 were	$293,419,100
The resources of the banks in 1903 were	546,553,690
Enlargement of resources in six years	$353,074,500
Percentage of enlargement	86.2 p. c.

The total loans and discounts of the banks in 1897 were	$226,006,900
The total loans and discounts in 1903 were	469.797,300
Enlargement of loans in six years	$241,790,400
Percentage of enlargement	170 p. c.

Proportion of total loans to total assets, 1897 .... 148 p. c.
Proportion of total loans to total assets, 1903 .... 186 p. c.

The growth of deposits in the last few years has been remarkable, the extent of them is shown by following statistics:

	1902.	*1901.*	*1896.*
Deposits in chartered banks	$344,949,900	$315,775,400	$183,769,900
Deposits in P. O. banks	42,320,200	39,950,800	28,932,900
Deposits in other Government banks	16,117,700	16,098,100	17,866,400
Deposits in Savings banks	20,360,800	19,125,100	14,459,800
Deposits in loan companies	21,068,700	20,756,900	19,404,800
Totals	$444.817,300	$411,706,300	$264,433,800
Increase since 1896	180,383,500	....	....

AMERICAN INSTITUTE OF BANK CLERKS.

AN INTERESTING JOINT DEBATE ON COUNTRY CHECKS.

The first annual convention of the American Institute of Bank Clerks was held at Cleveland, Ohio, September 18 and 19. Owing to the very large amount of space occupied by the proceedings of the convention of the American Bankers' Association in last month's MAGAZINE, it was impracticable to print the proceedings of the bank clerks' convention.

At the first day's session of the convention of the American Institute of Bank Clerks at the Hotel Hollenden, Cleveland, September 18, Clay Herrick, chairman of Cleveland Chapter, was chosen temporary chairman, and S. Ludlow, Jr., of New York Chapter, was elected temporary secretary. On the last day the following permanent officers were chosen: Chairman, F. I. Kent, of Chicago; vice-president for the Middle West, R. M. Richter, of St. Louis; vice-president from the Far West, J. W. McDermott, of San Francisco; vice-president from the East, S. Ludlow, Jr., of New York; secretary, Clay Herrick, of Cleveland; treasurer, Charles W. Dupuis, Cincinnati.

Addresses were made by a number of delegates and others, and on the evening of Friday, September 18, an interesting debate was held on the following subject: "*Resolved*, That the collection of country checks at par is contrary to general business principles." A complete report of this debate is presented below.

Meeting called to order by Chairman Richter.

MR. RICHTER'S OPENING ADDRESS.

CHAIRMAN RICHTER: Ladies and Gentlemen—In calling to order this assembly and opening this debate this evening I cannot help but refer to the successes which have accompanied former occasions of a similar character.

This is the fourth great inter-city debate arranged by the institute, and from present indications will excel in every point those which have gone before. The three previous inter-city debates were held in Cleveland, Pittsburg and Cincinnati. I think I can safely say that this convention assembled here to day is the direct result of the Cincinnati debate. It was there that the spirit which brought this about asserted itself in such a manner that no further delay was permitted. I might refer here also to the fraternal feature of a debate of this kind. In the past we have found that even the vanquished enjoyed the occasion, though they had to leave the laurels with somebody else. And I trust this spirit will be evident this evening as before.

In charge of the proceedings this evening is one of our most active chapter chairmen, whose experience in the same direction before makes him about the most available man to conduct this affair.

The success of the Cincinnati debate was such that the chairmanship of this inter-city debate was placed in the hands of Mr. Dupuis. I surrender the floor to him.

Whereupon Mr. Dupuis took the chair.

MR. DUPUIS' ADDRESS.

MR. DUPUIS: Ladies and Gentlemen—I, too, believe that this convention is the direct consequence of the Cincinnati debate. But that is probably true because so many chapter chairmen came to that affair. Whether all that Mr. Richter, of St. Louis, said in regard to whom the credit belongs is true or not makes little difference. He said something though about the vanquished enjoying the affair in spite of the fact that they had lost. I recall that one of the debaters who lost in Cincinnati left that night, I believe, between ten and twelve o'clock. I don't know whether it was because he enjoyed it or not. And another left before six o'clock in the morning, and left Mr. St. Jean, of St. Louis, to stand all the consequences. I think Mr. St. Jean ought to see to it that these men make the necessary apologies for running away and leaving him all alone. But I will say for the men who left, their end of it was very well taken care of by Mr. St. Jean.

Before we enter into this debate I would like to state a fery few plain words. Each debater will be allowed twelve minutes. The affirmative side will open the argument; each side will be allowed ten minutes additional in rebuttal. The affirmative side will have the last say, since the burden of proof rests upon them. No new argument shall be presented in the rebuttal.

The debaters are to be Mr. John Gillett, of Detroit; Mr. F. B. Gilmore, of Washington, and Mr. A. H. Jones, of Philadelphia, for the affirmative; and Mr. Harry Evers, of Buffalo; Mr. A. V. Gardiner, of Minneapolis, and Mr. J. L. Guild, of Providence, for the negative.

I take great pleasure in stating that we have obtained three distinguished gentlemen, whose ability to pass upon this debate must be unquestioned. They are Mr. H. Clark Ford, President of the Garfield Savings Bank, of this city; Prof. Edwin F. Moulton, Superintendent of Public Schools, of this city, and Mr. Thomas B. Paton, editor of the "Banking Law Journal," of New York. Mr. Paton is to serve in the place of Hon. Carlos N. Stone, who could not come.

The debate committee is under obligations to Cleveland Chapter for obtaining these gentlemen to serve in this capacity, and I wish to thank Mr. Paton especially at this time for serving on so short a notice. I want to say that Mr. Wills will act as official timekeeper, assisted by Mr. Richter; that each debater will be notified by a tap on the table when eleven minutes are up, notifying him that he has still one more minute to occupy.

I thank you, gentlemen.

We will open the debate with F. B. Gilmore, of Washington, for the affirmative.

Mr. Gilmore, for the Affirmative.

Mr. Gilmore: Mr. President, Honorable Judges, Ladies and Gentlemen—The question we are to consider reads: "Resolved, That the collection of country checks at par is contrary to general business principles." This leads to the consideration of what are business principles.

The trend of business to-day is toward concentration, one object of which, if not the principal is to save expense. Banking business is based upon two principles, security and profit. Banks are not the old staid institutions of the past: they are progressive and keep at the head of the business procession. Instead of the ledger that weighed fifty pounds, they use smaller ones, requiring less time to handle. Blotting paper has supplanted the sand-shaker, the gold pen instead of the quill, that required so much time to mend to keep in working order. The adding and computing machines save hours of labor. Why all this? Saving of time. Never truer than the present, time is money. It is also true, security is money. And collecting country checks at par is contrary to general business principles.

Some people, when they deposit a number of checks, are under the impression that they have deposited so much cash. This is erroneous. Banks cannot count checks as a part of their reserve, neither can the paying teller use them to pay the checks presented to him. These checks are sent to the paying bank by a circuitous route to save expense of collecting to the transmitting bank, thereby entailing an extra loss of time. Suppose in transit they are lost or destroyed in a wreck, as they sometimes are. Is that loss of time a profit to the sending bank? Then the time, trouble and expense in getting duplicates of them is an additional loss. For example, a check of $125 was deposited in a city bank, drawn on a country bank, and same check was destroyed in a wreck. When the depositor was informed of the fact, after numerous communications requiring several weeks' time, he replied that the party who gave the check could not give him a duplicate until three months later. This loss of interest and expense which the trouble entailed, all well regulated institutions will try to guard against, and have some system or method for protecting themselves by charging for collecting out-of-town checks.

How often are checks returned unpaid and protested because of insufficient funds to meet them, and the sending bank is compelled to pay the fees, thus requiring an outlay of cash and involving an additional loss. Is this good business principles?

Our opponents will ask: Do not country banks keep a balance with the city banks? If they do, what is it worth? The fluctuating balances are unreliable and in some instances they are an expense instead of a profit.

In the experience of banking it is often found that the amount of outstanding checks exceeds the customer's balance, and giving credit for them means lending money without interest. Is this profitable business?

Heretofore we have considered the profit phase of the question. We will now take up the security. First, as to the signatures.

A legal authority, recognized and accepted in all courts, says: "The indorser of a negotiable instrument upon which the name of the drawer, maker, acceptor or of a prior indorser, is forged, he, by indorsing it, warrants that he has clear legal title thereto and that the instrument is the genuine article it purports to be, and he is, therefore, bound by his indorsement to all parties subsequent to him."

In the light of this statement, what guarantee or security has a bank, that any signature on the check preceding its own indorsement is genuine? Yet the bank is required to guarantee them all and is liable for each and every one.

Secondly: Duty of collecting bank and its liabilities. The afore-cited authority says: "For the purpose of collection the collecting bank must employ a suitable sub-agent. It must not transmit its checks or bills directly to the bank or party by whom payment is to be made, with the request that remittances be made therefor. It is considered that no firm, bank, corporation or individual can be deemed a suitable agent, in contemplation of law, to enforce, in behalf of another, a claim against itself. Therefore where a bank, receiving a check for collection, forwarded it to the bank upon which it was drawn, requesting payment thereof, which bank, upon receiving a check, charges it to the drawer's account, cancelled and marked it paid and remitted to the collecting bank in payment a draft, which proved to be worthless, it was held that the collecting bank was liable to the depositor, in that it had failed to employ a sub-agent for the collection of the check, who would have received the cash therefor, or, in default thereof, have protested the check and returned it to the depositor as his evidence of a right of action against the drawer.

How many country towns have more than one bank? You can see what risk the collecting bank assumes according to this authority. The authority quoted covers the question of security so fully, completely and comprehensively, anything further on the subject by me would be a work of supererogation.

Therefore, when time and space be no more, then we can collect country check at par.

THE CHAIRMAN: I take pleasure in introducing the first speaker for the negative, Mr. Harry Evers, of Buffalo, New York.

MR. EVERS, FOR THE NEGATIVE.

MR. EVERS: Mr. Chairman, Ladies and Gentlemen—We, of the negative side, assert that the acceptance of country checks at par is not contrary to general business principles; on the contrary, we believe that the general adoption of this practice would be a great gain to the business world and a development along sound economic and banking lines.

Mr. Horace White defines a bank as a "manufactory of credit and a machine for the facilitating of exchanges." These are not separate and distinct functions, but are inseparably bound together, and it must be in the best interests of bankers generally to so adjust their machinery that the credit extended may be made available at par in all parts of the United States.

The country check is a much-despised instrument, and to the thoughtful student of finance this seems strange, when the use of the check as a medium of exchange is considered —a use that amounts to about ninety per cent. of the total exchanges of the country.

In spite of the restriction placed upon it, the use of the check is becoming more general. The manufacturer and the merchant, recognizing its place in business economy, are giving the form of voucher to their checks, the largest firms either requiring certification making them payable in New York city or, as in many instances, opening accounts with New York banks, which means a loss of business to the banks in their own cities.

Under the present practice—a practice which lacks uniformity, a result of competition—the country check is subject to a charge for its collection. The question is: who really pays the charge, and is it a legitimate and permanent one?

It is generally supposed that the merchant or manufacturer, under stress of competition, stands the loss rather than run the risk of losing a customer by requiring payment in New York funds or by charging the expense of collection to the customer. But does he really do this? We all know that more often the cost of collection is charged to the customer, either directly or indirectly, by addition to the selling price. Can we estimate what this addition to prices means in a business year, what it means to a customer, and what effect it has on bank deposits? Is it not a truism that reduction of cost of production means greater demand, more business and larger bank deposits?

In the consideration of the question at issue, our thoughts turn naturally to New York city and the action of the clearing-house banks there. The mainstay of their business is undoubtedly the account of the country bank, and yet in 1899, deploring the expense imposed upon them in the collection of country checks, they united in the impossible task of shutting them out or at least making them a means of profit instead of loss. Was their action a wise one? And in their self-satisfaction, because of a present profit, are they not, in their adherence to this agreement, preparing the way for greater future loss to themselves?

We may believe that the loss entailed seemed great when, belying our wonderful system of transportation, they estimated, in addition to a cash charge of $1, a loss of six days' interest or sixty-six cents, a total of $1.66 per thousand on New Jersey checks; a loss of three-days' interest and a cash charge of $2.50, a total of $2.83 per thousand, on Vermont checks.

Admitting that this estimate was correct—and as late as 1900 the courts adjudged a New York bank negligent in taking three days to present a check on Perth Amboy, twenty-two miles distant—did New York adopt the right solution of the problem? Do they not still stand a loss of sixty-six cents per thousand on New Jersey checks and $1.83 per thousand on Vermont checks? A few months later Boston solved this problem in a more business-like way by instituting a clearing-house for checks on New England, a territory covering an area of 62,000 square miles, of which Boston is naturally the financial center. By means of this system, checks delivered at the clearing-house are sent direct to the banks upon which they are drawn, are remitted for at par by all but sixty-two out of 700 banks, and are settled for in the city clearings on the second day following, at a cash cost to the banks of six cents or less per thousand. It is a significant fact that ninety per cent of the remittances are in drafts on Boston, not on New York, and it is pertinent to ask if Boston bankers have not shown a clearer understanding of the value of the country check as a circulating medium; a better sense of justice to the business community they serve, and a more far-sighted appreciation of their own interests in providing this means for the collection of New England checks without cost to their customers than have the bankers of New York in their action.

We often hear the assertion made that New York will in the near future wrest the supremacy of the financial world from London; that the day is surely coming when New York will become the clearing-house of the world. Are its bankers hastening that day when, instead of remaining the collecting center of even their own State, their tariff on the country check is making Albany or Philadelphia the collecting agency for checks drawn on points within a radius of a hundred miles of their own city? If it were not for the necessity which compels the country banks to keep the larger portion of their reserve there, would not the diversion of bank deposits to other cities be more keenly felt in New York? This from the standpoint of their business with other banks. We cannot estimate the effect of this charge on the volume of business of New York merchants, though we may well believe that eventually the force of public opinion will convince New York bankers that their present agreement is working harm. And when this realization comes to them, will they not then take advantage of the offer of over 400 New England banks to enter into the same arrangement with New York that they now have with Boston? Or, better still, will they not establish a clearing-house for checks on the territory that is naturally tributary to New York, thus forging the most powerful link in a chain of clearing-houses that will best serve the interests of the business community and of the banks themselves?

St. Louis took the lead in the really practical enforcement of the charge on country checks, with this difference, however, that, realizing the advantage of keeping St. Louis a collecting center, the clearing-house rules, while enforcing the charge to the individual depositor, leave it optional as to the out-of-town banks.

There the unwillingness of the depositor to stand this charge is taking definite form. Under the leadership of the Credit Men's Association, St. Louis merchants are compiling statistics to be used in the preparation of a practical protest to the local banks, and are advocating, at the same time, the establishment of a clearing-house for country checks.

Dissatisfaction of depositors with this collection charge is not confined to the cities where a clearing-house agreement can be enforced, but is making itself felt in all the larger cities. Witness the competition for business that has its basis in the charge on checks. At a meeting of the committee on clearing-houses of the bankers' association, after the last annual convention, it was not possible to get a decided expression of opinion as to the wisdom of these agreements. As a Chicago member expressed himself, his bank "never had any trouble in keeping an account that it wanted," and "did not lose money on the business it kept."

Competition that results in an effort on the part of banks to collect a charge on the one hand and evade a charge on the other, is unhealthy. Indeed, does not the present system result in a violation of moral as well as business principles? This idea may seem to be an exaggeration, but if time permitted I could quote many cases to prove that in a system under which the depositor is not given full value in the service for which he pays, and under which a bank subjects itself to a needless liability, there is neither good business nor good morals.

That we are all gathered here argues that we are interested in the details of our profession, and I need only call your attention to the many needless indorsements we are used to seeing on checks to remind you of plenty of examples from your own experience.

Let me cite here just one instance, given me by a lawyer friend of mine, where a referee in a sale at foreclosure accepted a check on a country bank not a hundred miles away, withholding the deed to the property, however, This check he deposited in a Buffalo bank, paying one-quarter of one per cent. exchange. Inquiring a few days later as to the fate of the check, he was told that it had been sent to Philadelphia and the bank could not assure him of its having been paid. He then asked them to wire direct to the drawee bank at his expense, and three days later he was notified that a telegram - also at his expense—had been received advising payment of the check. Was this good business on the part of that bank? And let me ask you if it is not true that the customer who does not pay exchange gets just as good service as the one who does.

A check is not issued unless there is a debt to be paid and a credit provided against which it is drawn. This is the simplest of operations in theory; and you must admit, gentlemen, that it is good business to terminate the credit as quickly as possible. When this is not done there is an injustice to the depositor and a danger to the bank. Notwithstanding the discrimination against it, there is an increasing use of the country check. Why isn't it better business for bankers to recognize its true value, and instead of restricting its use, to work together for the establishment, in all the larger cities, of the machine that is now in practical and beneficent operation in Boston?

The tremendous development of the resources of this country is due to the extension of bank credit and the "facilitation of exchanges," but, in view of the agitation of the last few years, it must be admitted that the banks are not meeting successfully all the demands of business. The day the successful merchant turned banker is rapidly passing. The bank officer of the future will be more and more a man of special education and training. With the broader outlook that this necessarily implies, will there not come a wider recognition of the fact that true business develops with consideration of the "greatest good to the greatest number," and not with a reaching out for individual gain? To the thoughtful student of financial problems there lie wide possibilities for good in a freer use of bank checks and its corollary, a better system for their expeditious and economical collection.

THE CHAIRMAN: It is my privilege and pleasure to introduce Mr. John Gillett, of Detroit.

MR. GILLETT, FOR THE AFFIRMATIVE.

MR. GILLETT: Mr. Chairman, Honorable Judges, Ladies and Gentlemen—The question, "Resolved, That the collection of country checks at par is contrary to general business principles," admits of a great variation of opinion, but I maintain that it is against good business principles for the following reasons:

1st. The uncertain value of the checks and the remittances received for the same.

2d. The cost of collection and exchange.

3d. The expense of postage and clerical help.

4th. The time lost in transit of the various items.

5th. The cost of protest fees and other minor charges.

6th. The exchange received in returns being very often unsuited to the needs of the receiving banks.

7th. The standing and reliability of the remitting banks.

8th. The amount of money always in transit not being available immediately, but practically being a method of loaning money without interest.

9th. The inability of the bank to tell the genuineness of the checks received upon deposit.

10th. The indirect course that these checks very often take before arriving at the place of payment.

In going further into the first reason, it is almost impossible to tell whether the checks received from customers are genuine or whether the banks are being used for swapping or trading of checks, and also the standing of the bank upon which the check is drawn, but the teller must be guided almost entirely by the standing of the depositor; as he could not hold up the funds until he knows whether the check is paid or not; then how is the bank to know for a certainty that the check received from the remitting bank will be honored by the bank upon which it is drawn.

2d. The wide variation of collection charges made by remitting banks makes it impossible in most cases to make any settled rate that may be charged, as in a small place where there is only one or two banks the collecting agents may charge what they see fit.

3d. The expense of postage and clerk hire on these checks means a large expense that the bank is not sure of getting back, as they cannot add this amount directly to the exchange charged upon that item.

4th. The time lost in transit of these country checks means a large amount of money out without any interest, and that is loaning money to the depositor or customer without charging for the same. In a good-sized bank this means from ten to fifty thousand dollars out all the time that it is not available immediately and very often cramps the bank for ready cash and exchange.

5th. The cost of protest and other minor charges that may be made by collecting agents that the bank may have to pay and perhaps not get back.

6th. Very often the exchange received is not suited to the needs of the bank and makes a great deal of transferring to other parts of the country, sometimes at a large expense and for which the bank cannot be reimbursed.

7th. The standing and reliability of the remitting banks as the expanse of territory covered by these checks is so great that it is next to impossible to keep posted as to their condition.

8th. The amount of money always in transit not being available immediately, sometimes makes it hard to keep cash and exchange as required, and so cramps the banks; when if the money was in their hands they would not be so.

9th. The inability of the banks to tell the genuineness of the checks, as very often checks are used as a trading or swapping method of which the banks have no knowledge.

10th. The indirect route these checks often travel before reaching the final paying place takes time, and very often in a case of loss the bank has to stand it, as the customer finds this out and says: "You have no right to send that check all over the country, even if it were to save exchange, but should have sent t direct."

I also maintain that it is a very uncertain method of business, for if the draft sent by the remitting bank be dishonored, it is hard to tell whether in a legal way you can hold the customer, as the check has been paid by the bank upon which it is drawn and the business between the drawer of the check and the drawee is entirely closed.

Very many banks insert a clause in their deposit books, that they receive out-of-town checks entirely at the risk of the depositor, and act only as his agent and assume no liability at all; but this is a very serious question, whether this is legal or not.

Then again, I want to ask my worthy friend on the other side of this question, if it is good sound business to take these checks at par? Why is it that the New York and Boston Clearing-Houses make such strict rules about any bank receiving such checks without charging upon them? Then again, there is another drawback; here is a customer that has a good balance with your bank and only once in a while gets a country check. Can you charge him as much as you would a customer who has a large number of them? No, you cannot; then you have to discriminate and if the other fellow hears of it, he is sore and says he has not been treated right.

There is one more point, and that is, that a large dealer can tell his customers throughout the country that he will take their checks in payment of their accounts at par as his bank does not charge him, as he does such a large business, and the small dealer, therefore, cannot compete with him; in other words, the large wholesale dealer compels his bank to take those checks at par. And it sets banks bidding against each other for accounts as one bank sometimes makes better arrangements to collect these checks than some others can.

And, in conclusion, I wish to say, that if these checks were not fully used as they are, we would find that the deposits throughout the country would be considerably less, which I maintain would be proper, as one check very often swells deposits in three or four banks.

I hope the time will come when the banks all over the country will get together and adjust this sending out of personal checks when New York or other exchange would be so much the better for all.

You will also find if you have to pay your life insurance to the head offices in New York, that they will not take your country checks at par.

Therefore, let us all try and discourage the use of country checks at par when other exchange would be so much more safe and easier to handle.

THE CHAIRMAN: I take pleasure in introducing Mr. A. V. Gardiner, of Minneapolis, for the negative.

MR. GARDINER, FOR THE NEGATIVE.

MR. GARDINER: Mr. Chairman, Ladies and Gentlemen—I take up this discussion from the standpoint of the banker. Whether or not it is contrary to general business principles for him to collect country checks for his customers at par.

The service of collection cannot be performed without some expense to the collecting agent. This expense is always there. It is composed of three variable items:

1st. Running expenses, postage and clerk hire.

2d. Interest on items in transit.

3d. The charge of the drawee bank.

There is no constant factor of expense. The drawee bank frequently makes no charge, very often the country check can be charged at once to the drawee bank on the books of the collecting agent, thus saving interest; postage may be economized by good management, and so, unfortunately, may clerk hire -but there is still a cost to the collecting bank.

The question is whether or not it is in accordance with good business principles to render this service at par, that is, by not making a direct pró rata charge on the items themselves.

At every recent gathering of bankers much has been said about the patriotism and public spirit of the American banker, and the American banker has earned a tribute of this kind in each crisis, political or financial, that this country has passed through. As the trustees of the public wealth the bankers must be and are public spirited, but in their capacity of trustees of the private wealth of their stockholders the bankers are keen, sharp, and honest men of affairs. They agree with Sis Hopkins that it is not good business to "Do nothin' for nobody what never done nothin' for you." And this, gentlemen, is the real point in the case. Is a collection at par, for which no direct fee is charged, a free collection?—or may it be made a business investment which will yield a far greater profit to the banker than the fraction of a per cent. which he can collect over his counter?

I shall make three points for the negative.

1st. A banker by giving par rates to his customers is paying for good substantial advertising. Every jobber who can collect his country checks at par is a satisfied customer and that kind of customer is the best advertisement. The banker is buying paying business for little money.

A merchant will carry his balance where it will pay him best. Those northern neighbors of ours, the Canadian bankers, who are past masters in the art of charging exchange, and don't think anything of twenty-five to fifty cents a hundred, are paying interest on daily balances of active commercial accounts and they are entitled to a liberal fee for their services. In this country it is not customary to pay interest on such accounts, yet the merchant who carries a big balance is entitled to some substantial return for doing it. It is contended that the discounts of his bills receivable and advances made to him are accommodation sufficient; but the banker who makes this statement does not hesitate to charge the highest market rate for these favors, and sometimes he gets a commission for selling such of his customer's paper as he cannot take himself. Country bank balances, of course, draw their monthly two per cent.; but they differ from the accounts of merchants in this, they are steadier, and larger in proportion to the amount of checks drawn against them. These balances are generally reserve funds which may not be depleted beyond a certain point. The wise banker who collects his correspondent's country items at par will insist upon reciprocal accommodations which will in a large measure compensate him for expenses incurred.

Take, for example, a hypothetical case. Suppose a bank in Chicago has this agreement with its correspondent in Minnesota—the Minnesota bank shall keep an average balance of two hundred thousand and collect all northwestern points at par for Chicago, and Chicago in turn agrees to collect all points in its territory at par, and, of course, pay two per cent. on the balance. Excluding commercial drafts, which have no place in this discussion, the volume of country checks that each bank collects for the other will be about equal and neither will be out anything on exchange.

The result will be an increase of deposits for Chicago at a merely nominal cost fully offset by the collection facilities offered by Minnesota. This two hundred thousand is, of course, part of the reserve of the Minnesota bank and in excess of the amount needed in Chicago for exchange purposes, and would very probably be kept in New York, were it not for the favors given in the way of collection by Chicago. Both banks really save in actual cost of their collections on account of each being able to make use of the other's facilities. Minnesota can collect the northwestern points relatively more cheaply than Chicago, and Chicago can collect Iowa, Illinois, Indiana, Ohio, Michigan and, perhaps, Wisconsin, more cheaply than Minnesota. By this reciprocal arrangement each extends its territory without materially increasing its expense account. A large number of our Western banks who do not collect at par charge only the exact exchange cost of collections, thus putting their machinery at the disposal of their customers free. These banks cry out against the par list, but they are going more than half way. Of course their actions suggest the question, "Why not charge enough while you are about it so as to make a handsome profit, instead of merely seeking to avoid a loss?" The answer to this question may be found in the second point of my argument.

That wherever competion exists it forces the banker to give additional favors to depositors and cheaper, perhaps par collections are the necessary result; under these conditions it surely cannot be maintained that par collections are opposed to good business principles.

In New York the question of rate-cutting has been settled, for the time at least; that the New York trust companies and independent banks can ever take enough business from the clearing-house members to force them to change their rates is doubtful: New York exchange at present is a necessity to all bankers and as long as New York retains its position as America's clearing-house its bankers can do about as they please, and I will admit that it seems to be good business, under existing conditions for them to charge—very good business. But the other financial centers of the country are not "in the trust," and as long as they contend for supremacy it is sound policy for them to back up their contentions with the greatest favors which they can afford to give depositors. No one can call one or even two-tenths of one per cent. a very great price to pay for business that is worth from three to six per cent. It seems that the banks cannot claim that they lose money by collecting at par, but rather that if they could run up their charges to suit themselves they would be able to make larger profits—in some cases much larger than the current money market will justify. I know a bank which last year paid a dividend of twenty-five per cent. to its stockholders; this bank charges a very substantial sum for all collections; fortunately it is situated where competition cannot affect it but if it should get up some morning and find a wide-awake rival across the street and be obliged to collect at par to meet with competition, would you, in all fairness, say that it was not in accordance with sound business principles to do so because such a course might make next year's dividend twenty per cent instead of tweny-five?

Boston has settled this country check problem in exactly the opposite way from New York and has brought down the cost of collection to less than six cents per thousand and this is chiefly machine cost, not exchange. It would seem that the Boston banks can afford this cost without impairing their dividends.

Philadelphia and Chicago have profited by the action of the New York banks in that they have been able, by means of a tempting par list, to get balances that formerly went to New York. It is argued that many accounts get their collecting done at par in Chicago and Philadelphia, and then keep the proceeds in New York. When this is true the poor business sense of the collecting banker seems to me not to lie in making the collection at par, but in not stipulating as a consideration for his favor, that the proceeds of collections shall remain on deposit with him.

The test of time proves all things. Whether the bankers of the country will follow New York or Boston, whether they will combine to tax the country check out of existence or establish in all financial centers country clearing-houses for check exchange till this form of paper costs less than national currency, time alone can show.

In this connection I am ready to introduce my third argument. To encourage the country check by taking off the tax will vastly increase the check currency of the country. This will result directly in a benefit to the banker when money is scarce. At present from eighty to ninety per cent. of all transactions is effected by checks. Check currency is perfectly elastic, sufficiently safe and very convenient.

A single instance will show the possibilities of the country check in time of monetary stringency.

In the fall, when the grain begins to come in, the shortage of money always becomes apparent. It is the custom of the elevator companies of my city to ship currency to their country agents to buy wheat; this is done, of course, through the Minneapolis banks.

About five years ago we used to ship, perhaps, one thousand dollars in every ten to a country bank to pay wheat tickets with. The other nine thousand would be sent direct to the grain buyers. To-day fully half of all shipments go to the country banks to pay wheat tickets. This is because the elevator companies have discovered that the country banker can make a thousand dollars go a great deal farther than the company's agent can. There is a reason for this. When the farmer gets cash for his grain he takes the money home and shows it to his wife and they are glad they have got it; they like to have it on hand and know they have it. The chances are that they will defer paying it out for a few days at least, just to have it round; then when the time comes to pay for the last year's plow that they bought of some one of the city dealers, they have to go to the bank to get a draft and that is some trouble and causes a delay in getting that currency back into circulation. But if the money is shipped to a country bank the farmer has to go there to get a wheat ticket cashed, and it is reasonably certain that if the country banker is good for anything the farmer will not get away with all his money, or perhaps with any of it. He will pay that note he has in the bank, or at least the interest on his mortgage, and probably he will leave the balance of his money on deposit. When he pays for his machinery, he will send his personal check to the city merchant and feels glad all day that he has saved fifteen cents which a draft would have cost him. The country banker is benefited by this in increased deposits (there is one county in southern Minnesota where it is said that every farmer has a good balance in the bank) and the available currency is kept in circulation. The farmer is learning the advantage of a bank account and every check he issues relieves the currency situation just that much in the busy season. I think it can hardly be said it is against good business to help the country check by clearing it at par, at the very least such a statement is hardly appropriate until we have provided a currency that shall meet our needs and make the country check of less importance to all parties.

To sum up my arguments: I maintain that to collect a country check at par is strictly in accordance with good business principles for the following reasons:

1st. To collect at par means a larger amount of good business at a very moderate outlay, and good solid advertising right where it will do the most good.

2d. It is the cheapest and best way to resist competition, both between institutions in the same city and between the larger financial centers.

3d. It stimulates the use of the country check, thereby relieving our annual tight-money periods, and by this means benefiting directly every banker in the country.

To ask a debater to prove that a principle must be always right in every possible case and under all circumstances presupposes a very elastic principle. I apprehend that if in the present instance we can show that the collection of country checks at par is under existing circumstances perfectly in accordance with general business principles, we have won our point. This I have tried to do.

THE CHAIRMAN: I take pleasure in introducing Mr. A. H. Jones, of Philadelphia.

MR. JONES, FOR THE AFFIRMATIVE.

MR. JONES: Mr. Chairman, Ladies and Gentlemen—It is remarkable how many different opinions we get from different parts of the country, and all of them apparently exactly right. Of course, I have no right to question any of the arguments of my opponents. But if they are positively true, then the conditions in Philadelphia are vastly different from any part of this civilized globe. Certainly it is not because where a man deposits a thousand dollars in Philadelphia and wants a draft to pay a debt in the country, he is not charged ten cents or one cent. If that is the case in Minneapolis then the Minneapolis banks are carrying out the argument of this resolution where it says, "Is it good business principles for the man who owes the money to pay the bank the exchange in transmitting the money to the debtor?" And with all these differences we are of one mind on one thing, and that is the purpose of a bank is to accommodate, in one sense of the word, its depositors. And another one which follows that is this: That we are of one opinion that banks to-day are not granting the accommodations which business demands. Banks in no part of the country to-day are giving the accommodations which business demands. Now, why is it? It is because they haven't got the ability to do it. When you take up a bank statement and see the "Due from banks" column amount to thirty per cent. of deposits, is it a surprise to you that that bank is not able to give the accommodation? I have in my mind a Philadelphia bank which has all it can do to pay a six per cent. dividend in a year. And one of the clerks told me that the credit account of their exchange account amounts to $3,000 a year, and that very same day I looked at their statement, which was made two days before, and I found that the "Due from banks" column was thirty per cent. That bank is going down hill; it can't give the accommodations to the customers which the accounts justify. It has cost that bank, in order to save the exchange, which the drawer of the check should pay, or the depositor—in order to save that exchange, it has thirty per cent. of its deposits scattered broadcast over the land. That is the great trouble to-day, gentlemen. A bank's duty to its customers is to get in its money as quickly as it can. And business to-day is in such condition that banks cannot get their money in quickly unless they pay exorbitant rates of exchange. To-day when I walked up one of your streets I saw on the front window, "Five per cent. paid on deposits." Is it possible that banks in Cleveland are getting such an exorbitant rate of interest that they can pay five per cent. on deposits? No Philadelphia bank can do this. Is it right that the Philadelphia bank should pay one-half of one per cent. exchange on items which they are compelled to take? I know it to be a positive fact that a railroad which has its headquarters in Cincinnati, goes to Philadelphia to purchase its supplies. It remits with a Cincinnati draft. If that Cincinnati railroad owes the Philadelphia Hardware Company a thousand dollars, $999.99 will in no sense of the word justify that debt. One thousand dollars and nothing less it takes to justify a thousand dollar debt, and if you offer anything else, it is because you are in a position to squeeze your creditor and he has got to keep his mouth shut. And still that is called good general business principles. Is it proper for $99.50 to wipe out an indebtedness of $100? New York banks have been criticised for charging exchange on everything. And it is very truthfully said that Philadelphia and Baltimore banks are to-day made the dumping ground of these Western banks for the Eastern exchange. Philadelphia to-day can scarcely get one dollar from Pittsburg, and why is it? It is because everything is shoved to Philadelphia. And what Philadelphia has they can't get back. Pittsburg, however, can charge exchange because they have got the nerve. Pittsburg can't remit because they haven't got the money. In the meantime who suffers? Is it in any fault of the Philadelphia banks that we should suffer? Is the condition brought about by negligence on the part of the Philadelphia banks? By their ignorance or reckless business methods? Is it brought about by this, that banks are in a position to do that work. One account pays. That man has got a friend in that bank who has an account in that bank that doesn't pay. The account that doesn't pay the bank dare not charge exchange for fear of losing the other—a good account. An example was given me the other day by one of Philadelphia's largest banks who had a charge sent them from a Western bank. Of course you know, the judges know, and the members of the American Institute of Bank Clerks know, that Philadelphia hasn't adopted this exchange rule. A bank in Philadelphia received a check on another city for $5,000; it was drawn on the First National Bank, we will say. In order to comply with the rulings which had been made by the courts, they didn't send it to the First National Bank; they sent it to the Second National Bank of that city, and the Second National Bank deducted $6.50 exchange, and sent them back what was left of that check. Our Philadelphia bank held that that was pretty steep. The Philadelphia bank wrote to the Second National Bank and took them to task for that exorbitant charge. The Second National Bank wrote back and said, "We didn't make a cent on that. The First National and ourselves have a common agreement that whatever comes into our hands we will charge you one-eighth, and we have you where the hair is short, and if you think it is good business principle to pay these fellows you can do it, but we won't do it. And if your customer doesn't demand of your depositor to send him for his indebtedness a draft or eastern exchange to cancel his indebtedness, then you have got to stand the loss." And by sustaining loss you have got to make it up somewhere. Where is it? Where do banks make their money? By interest and nothing more. The higher the rate of exchange the higher the interest must be in order to pay that exchange. If high rates of exchange mean high rates of interest, then low rates of exchange must necessarily mean the opposite. And if a man can get money for two per cent. he is going to take a good deal more money at two per cent. than he would take if he was obliged to pay six per cent. And if he can do so much business on a thousand dollars, if he is a good business man, he is going to do so much more business on $1,500. So that it is just a matter of business that if a depositor can obtain funds to carry out his legitimate business, he is going to do it. But when, as I say, banks have thirty per cent. of their deposits flying all over the country in order to save exchange charges, then the depositor can't get the money to carry on his legitimate business.

THE CHAIRMAN: Before calling on the third speaker for the negative I want to remind you of the fact that the speaker in rebuttal for the negative will precede the speaker in rebuttal for the affirmative. In other words, we will, after hearing the next speaker, hear the speaker in rebuttal for the negative, and finally the speaker in rebuttal for the affirmative.

I take pleasure in introducing Mr. J. A. Guild, of Providence, Rhode Island.

MR. GUILD, FOR THE NEGATIVE.

MR. GUILD: Ladies and Gentlemen—It is an honor and pleasure to represent the negative side of this question to-night. An honor and pleasure, because I am addressing the first national convention of bank clerks in this country; a gathering of the coming financial men; and an honor and pleasure because I am contending for a principle—a principle that upholds and maintains the structure of credit that millions of American citizens have earnestly striven to perfect for generations. A structure on whose cornerstone is deeply engraven these words, "A dollar shall be worth one hundred cents."

The vital point of our argument to-night is not what is the prevailing mode of collecting checks, nor a justification by our opponents of the arbitrary action of the New York banks; they cannot, by submitting proofs of expense incurred, claim a decision in their favor. The vital point is the principle involved, and if we can prove that in collecting country checks at par the banks so doing are not violating business principles, but rather are upholding those very principles, then we shall gain the verdict of the honorable jury.

I shall prove that the collection of country checks at par is not contrary to general business principles, for,

1st. The credit system of the country demands it.

2d. The assumption of the expense incurred by the individual banks does not violate any business principle.

3d. Public opinion unanimously upholds par collection.

4th. The Boston Clearing-House for country checks is a living proof that it is the simplest, most satisfactory, and least expensive system for handling these items.

The credit system of the country demands it.

Business transactions are consummated by checks more extensively to-day than ever before. Ninety per cent. of the business settlements are effected by this means. Organized banks are the agents in these vast transactions, and upon them depends the safety and integrity of the credit employed. Financial institutions are the dealers in credit, and every effort should be made on their part to maintain the credit system at par, and make the dollar of one party equal to the dollar of every other party.

Checks are the most universal medium of exchange, and should be unquestionably accepted dollar for dollar.

Any act on the part of a bank to make the check credit of one individual worth but ninety-nine cents on the dollar to another, is a violation of the principles of credit and a violation of the principle of business.

Any act that tends to strengthen the system of credit at par is a direct benefit to the interests and welfare of every community, and in accordance with all lines of business principles.

Bank currency plays but a small part in the movements of business, and yet the parity of its dollar is inviolable. Shall the system of check credit, which furnishes the motive power for the great percentage of business, be subject to depreciation at the will of any institution that, because of its all-powerful hold upon the business interests, seeks to defy those interests to benefit itself?

By the charge on checks a creditor is made to receive less for his goods than what he has sold them for, or the debtor is compelled to pay one hundred and one cents on the dollar, because the bank in which the creditor deposits the check refuses to accept it at par.

The acceptance by the banks of the checks at par gives equal rights to debtor and creditor, and therefore upholds business principles.

The assumption of expense incurred by the individual banks does not violate the principle. Every banking institution has an undeniable right and privilege, in order to hold its present customers and attract new business, to use every legitimate means commensurate with safe and consistent banking, so long as it earns for its stockholders a reasonable income on their investment.

The New York banks, in spite of the expense attached to the collection of checks, paid an average of nine and one-half per cent. on their capital stock, and increased their surplus profits at the same time.

A bank gives to its customers check books, deposit books, miscellaneous paper and stationery; provides rooms and conveniences for their use; employs capable men to attend solely to their wants; collects their checks; pays them interest on their balances; and advertises extensively to retain them and attract others. All at a heavy expense, but all to its own direct advantage.

Shall the banks charge for their stationery? Shall they charge for their counsel and advice? Shall they charge for the use of telephones, writing materials and other conveniences? Shall they ask so much from each depositor for each advertisement they issue? Such questions are too absurd to answer. Then can it be contrary to business principles to also collect their checks without charge, for the collection of these checks comes under the head of running expenses just as rightly as do these other factors.

Public opinion unanimously upholds par collections. James Bryce, author of "The American Commonwealth," says, "Public opinion has been the chief and ultimate power in deciding business principles."

I present to you public opinion upon this question, in the form of letters from thirty-three Presidents, Cashiers and clearing-house managers, from Maine to California, from Cleveland to New Orleans; letters from two of the best-known political economists in the country; the opinions of five bank attorneys and corporation lawyers; and the result of interviews with over one hundred successful business men.

Outside of three or four bankers, there is not a dissenting voice to be found, that checks, the medium of exchange of the business man, should be maintained at par at all hazards, and that principles were wronged by a contrary practice.

The business man demands par collection, because—

1st. A check, whose goodness is unquestioned, should have the same value when sent in payment of goods bought, as if a bank bill had been used. For the banks on the side of principle should do everything in their power to aid and facilitate the business conditions that enable one party to transact business with parties outside his own city, and the treatment of checks at their face or par value cannot be contrary to any principles that govern these transactions, for it upholds the honor and integrity of all parties.

2d. Because in receiving a check for a bill of goods he should not be compelled, after giving a receipt in full, to pay a discount in the shape of bank charges. Or, on the other hand, if the drawer of the check is notified that it will not be handled at par, he has to purchase exchange, thereby paying more for his indebtedness than the amount of his bill. Is this right? Is this business principle?

The most strenuous of "check chargers" among the bankers, whose letter I hold, have given force to our argument, for while stating that they believe in making a charge on country checks, also state that viewing the question broadly, as this question must be viewed—the process that would be ideal, and the best suited to all concerned, would be a system by which all checks would be collected at par.

Or, we might view it in the light that a Western institution sees fit, when it says, "The problem of collecting country checks is a matter for each individual bank to decide. If it wishes to assume the expense of collecting such items, it is no one's business but its own, nor can we see wherein it is violating any business principle."

The answers from the great majority of bankers that have been approached are contained in these few words. The collection of country checks at par is not contrary to business principles, for if all the banks would unite and adopt that method there would be no excuse for a contrary practice.

The consensus of opinion of the bank attorney and corporation lawyers is as follows:

1st. The principal of charging for the collection of checks is wholly wrong, for it is a restraint upon the free use of checks as a medium of exchange, whereas the check system should be encouraged and not hampered.

2d. A bank has not a moral right to discount a check given in good faith in a legitimate transaction. For it is arbitrarily increasing the cost of merchandise, or lowering the profit of the seller.

3d. Retrenchment of a bank's expenses should be done in some other manner than by taxing the credit exchange, for its collection is not by any means the heaviest expense incurred in the business. Cut out the interest on deposits alone, and the expense entailed by collection would not be thought of.

4th. As a matter of principle, the principle is sustained by the collection at par, and violated by the collection with a charge, for the acceptance of a check at par is in direct accordance with the rigid government policy of maintaining the parity of the medium of exchange.

"I cannot see," writes a prominent political economist whose letter I hold in my hand, "that the collection of country checks at par violates general business principles. From the point of view of the public, par collection seems to me extremely desirable. It is a good thing to have the use of checks extended as widely as possible, and anything that contributes to that end is a direct help to business and credit."

The Boston Clearing-House for country checks is a living proof that it is the simplest, most satisfactory, and least expensive system for handling these items.

Francis B. Sears, Vice-President of the National Shawmut Bank, Boston, is a prime mover in the plan adopted by the New England banks, and states the following:

"The Boston plan demonstrates that a system of free exchange between sections of the country is desirable, and a help to the community. The New York plan puts a tax upon the check which has a tendency to restrict its use. The cost of collecting the New England checks, before the clearing-house was established, was estimated at $750,000 a year; the total expense of this collection at present is considerably less than $40,000.

One-twentieth as much, or, in other words, the old method entailed an expense twenty times as great as the present par system.

He continues: "It is a fact within my personal knowledge, that bankers in all sections of the country have been watching this system, and are considering the possibilities of such a system in their own localities."

Can this be contrary to business principles?

Mr. C. A. Ruggles, Manager of the Boston Clearing-House, writes:

"There is no doubt in my mind that our method is the best system in dealing with country checks, and has proved very successful and eminently satisfactory.

"We collect at par for 621 banks outside of our own city, and in the last year we collected $616,000,000 at a very much less cost than would have been possible in any other way."

Does this constitute a violation of general business principles?

I submit:

1st. That the credit system of the country is sustained by the collection at par.

2d. That the assumption of expense incurred by each individual bank in the collection of its checks does not violate a business principle.

3d. That the best business men, the lawyers, the political economists, and the great majority of bankers are in favor of par collection.

4th. That the system of the Boston clearing-house for country checks, not only is not contrary to general business principles, but is a crowning proof that it is the most satisfactory and simplest solution of the problem of handling these items.

I submit that the collection of country checks at par is not contrary to general business principles, but rather fosters and upholds those very principles.

THE CHAIRMAN: We will now hear from the first speaker in rebuttal.

MR. EVERS, IN REBUTTAL.

MR. EVERS: Ladies and Gentlemen—Before you make up your minds as to the merits of the different sides of this question, let me call your attention to the wording of the resolution:

"That the collection of country checks at par is contrary to general business principles."

This is not a debate on the question of the use of the country check, it is a question of whether it should be taxed or not.

Our friends seem to think that the country check ought to be eliminated altogether; that will never come to pass. Under the present system of collection our opponents have backed us up in the statement that there is a good deal of gratuitous collection. A check starts from its starting point to the depository bank and wanders all over the country before it gets to its destination. There can hardly be good business in the system that permits that. The question is, whether imposing the charge of collection for doing away with the method of its collection. We claim that by instituting the system of clearing-houses, checks will be presented and paid for without loss of time, and with but very little expense. One of my worthy opponents asked me to explain the New York and Boston charges. There is a vast difference between the charges of New York and Boston banks. New York banks charge on everything. Boston banks merely charge for the checks on which they have to pay. All other points at which they collect at par they give their customers at par. There is no discrimination with out-of-town banks and the individual depositor. Our Philadelphia friend seems to think Philadelphia is in a bad way. The Philadelphia bankers got together to decide whether they should take the same action or not. The small banks were in favor of instituting this charge; the large banks said no, we are making money out of it as it is. It means too much for us, and supporting their version they pointed out the difference between the individual deposits and bank deposits. When Baltimore instituted this charge three of the largest banks of Philadelphia sent representatives to Baltimore to try and swing the business to Philadelphia banks. Our friend cites an instance where he saw a sign in a bank paying five per cent. on deposits. I would like to ask whether that wasn't a Savings bank. I think it was a Savings bank. What has a Savings bank got to do with this matter? Don't they refuse to collect checks? Public opinion is to be counted. The "New York Tribune," with its circulation which means a hundred thousand dollars a year, much of it in one-dollar checks, could hardly afford to pay ten cents for the collection of these checks. Strong editorials were published on the subject; they published over sixty columns of letters from New York business men, and the New York banks reduced the charge of ten cents and wrote their clearing-house to work in this way.

Gentlemen, our opponents have attempted to keep this down to the narrow point of view of the individual banker. Now, we claim from the very wording of the resolution that it must be lifted to a higher plane, that of broad business principles, and we think in our arguments we have shown that the business community would be benefited by the freer use of the bank check.

THE CHAIRMAN: Mr. Jones will close the debate, speaking for the affirmative in rebuttal.

MR. JONES, IN REBUTTAL.

MR. JONES: With all the ideal forms which have been adopted by the Boston Clearing-House, which my honored opponent has tried to make you believe are just right, the Boston Clearing-House has a list which ran up to one-quarter of one per cent. of exchange. The same representative from Boston claims that the bank has no right to discount a check. Now, then, he means, of course, as between the bank and its depositor; there it stops. It remains for me to bring out into the argument, or try at least to bring out, the argument which we are trying to present, and that is, that a bank has no right to discount between the banking bank, if a bank has no right to discount for a banking depositor. In the eyes of the law it is between two individuals, neither of which has a preference over the other, and if my opponent's statement is true, then it is equally true that a bank has no right to discount a check as between a bank. Unfortunately, I did not notice the name of the bank upon the street to-day which had out the sign of five per cent. It may have been a Savings bank, and I will give it the benefit of the doubt and say it was a Savings bank, and in addition to that I will say that the Savings banks of Philadelphia do not refuse any checks deposited in them, but on the contrary they take them in and dump them into the National banks, and the National banks pay the exchange.

We will take the instance of the "New York Tribune." The "New York Tribune," I am told, has one hundred thousand checks every year at one dollar apiece, and the "New York Tribune" can't afford to pay ten per cent. of those hundred thousand checks, but who is going to pay it? Where does that $10,000 expense fall? Where does it rightfully belong? It falls on the banks, but does the bank get any advantage out of that? Do you mean to say that $100,000 spread over one year, and $10,000 exchange on that is going to pay a bank? No, sir. If the "New York Tribune" at any time during its existence had such an account in the bank, I venture to say that there was another account in that bank to hold it there, otherwise the bank would not have been bothered with it. My opponent says interest rates are larger than during the war. I will agree him. When I went into the Bank of Philadelphia I went into a very small bank. The exchange account of that bank, the first year I was in it, was about $1,500 for the year. After spending nine years in that bank, that bank's deposit had decreased about $800 a day.

That bank's exchange had increased a hundred per cent.—the interest rates increased. That bank's accounts hadn't been changed—no new accounts had been added to it. That bank's deposits were decreasing continually, and its exchange charges were increasing continually. And why? It is because the country banks today have got it into their heads that they can shave checks, and "shave" is the word. We got a letter from a private banker in an interior city. The bank that I was employed with was at that time inclined to mistrust him. They collected his checks by express; it cost them forty cents apiece to collect his checks. They had two accounts—there was another account which brought that bad account in, and we simply had to swallow that exchange of forty cents. About every three weeks we would get a letter from this banker reading this way: "For $5 checks I will charge you ten cents apiece; $10 checks, 15 cents; $15 checks, 25 cents apiece. On one occasion we sent him by mail four checks which amounted to less than $16. The exchange on that $16 was just exactly 40 cents—ten cents apiece. If that isn't highway robbery I would like to know what it is. If he came down and picked your pocket you could have him arrested, but if he shaves your checks you couldn't do anything with him: that is a positive fact. If that is anything short of highway robbery, then I mistake the meaning of the word. The New York banks have been criticized by one of my opponents, and on the other hand have been in a measure commended for their action in making this ironclad rule. The day before I left Philadelphia one of the Cashiers in Philadelphia told me that a Cashier in a medium-sized bank in New York told him that before that ironclad exchange rule was put into force, that their exchange amounted to $80,000 a year. Is it reasonable that a bank should pay $80,000 a year—and if it is reasonable, where do you suppose they are going to make that $80,000 a year? There is only one way under the sun for them to do it: it is either by interest, legitimate banking, or else by speculation—which is a crime—that they can make that $80,000. If you can put out money at four and one-half per cent., you can put out twice as much at that rate as at six. He says that it takes a hundred cents to cancel a debt of one dollar. Well, that is what I have been trying to argue. I apparently have failed, or else he missed his guess—one or the other. If it takes one hundred cents to cancel a debt of a dollar, is it proper in his estimation that a bank within twenty miles of Philadelphia should take one-twentieth of one per cent. exchange off of checks which are drawn upon themselves, and which were sent by the Philadelphia bank? I venture to say that ninety per cent. of the checks which they received for deposits were checks on Philadelphia banks. The Philadelphia exchange cost them nothing, and yet they deducted one-twentieth of one per cent. on every item the Philadelphia bank sent them. And that is getting to be so universally the custom, not only in Pennsylvania, but every other State, that cities like Boston, New York, St. Louis, have adopted this ironclad rule of charging exchange and placing the exchange on the drawer of the checks, where it rightfully belongs. If it takes one hundred cents to cancel a debt of one dollar then a man who buys one hundred cents' worth of goods should tender a check for $1.10.

(Time called.)

The Chairman: I am informed by the judges that they have selected Mr. Paton to be their spokesman, and I know you are all anxious and glad to hear from Mr. Paton.

The Judges' Decision.

Mr. Paton: Members of the American Institute of Bank Clerks—The judges have had a hard task to decide. We feel all the arguments are very good and very strong. In the decision made, the merits of the question—the individual opinion of the judges upon the merits of the question—have not been the test, but the decision has been made upon the strength and merits of the arguments presented.

After due consideration, we have concluded that the negative have presented the better argument.

Death of John G. Floyd.—John Gelston Floyd, a former publisher of The Bankers' Magazine, died December 1 at his residence, 138 East Thirty-seventh Street, New York city. He was the son of John Gelston Floyd of Mastic, L. I., who was a member of Congress, and grandson of Gen. William Floyd, a signer of the Declaration of Independence. He was born at Utica, N. Y., in 1841 and was graduated from Rutgers College in 1859 and later from the Albany Law School. During the Civil War he raised a company on Long Island and served as a captain. For thirty years he was publisher of the "Commercial and Financial Chronicle."

Mr. Floyd purchased The Bankers' Magazine in December, 1894, and continued to be the publisher and owner until June, 1895, when the Magazine was merged with Rhodes' Journal of Banking. He was a publisher of long experience and was remarkably successful.

PUBLICITY OF THE OPERATIONS OF CORPORATIONS.

In his annual address at the recent convention of the American Bankers' Association at San Francisco, President Caldwell Hardy spoke in favor of the principle of publicity of the affairs of corporations. He expressed the opinion that the movement in the direction of publicity, inaugurated by the Government through the new Department of Commerce, would meet the approval of the best banking thought of the country. President Hardy called attention to the statements published by banks and insurance companies, and the good effects of such publicity.

Many of the great industrial corporations have been formed under the New Jersey law, and the corporation law of that State has been made the subject of considerable criticism. A new law in regard to corporations recently went into effect in Massachusetts. The following summary of the law was published in the "Boston Evening Transcript" November 7:

"In the case of Massachusetts, while there is greater liberality than before, the aim has been to offset this with the largest degree of publicity as to what constitutes the assets of the corporation, the manner whereby these assets are acquired, and other data calculated to throw light on its operations in the interest of the investor. In this respect our new act followed closely the 'British Companies' Act,' which has been held up as a model of corporation legislation by the most pronounced critics of the present law, and provides the very safeguards that are contained in the English institution.

The new Massachusetts law is, moreover, headed in the same direction as the Federal Bureau of Corporations, the design being to create corporations by a process as nearly uniform throughout the country as the circumstances warrant. Consequently any comparison with our corporation law and that of New Jersey must be to the advantage of the former.

In making their declaration to the Commissioner of Corporations, the directors of the Massachusetts company are required to state, besides the facts relating to the amount of capital stock, its character and the method of its payment. If the stock be paid for in part by property the amount of such is to be given, and, in the case of real estate, its location, area, and the amount of stock to be issued for each piece must be stated. If any part of the property is personal it is to be described in such detail as the Commissioner of Corporations may require, and, as in the case of real estate, the amount of stock to be issued against it. There is still another provision requiring that, if any part of the capital stock is issued for services or expenses, their nature and the amount of stock issued therefor shall be clearly stated.

The New Jersey laws, on the other hand, require merely a statement showing the total capital stock, together with the amount paid in, given in the abstract, regardless of what it consists of or its value to the company. The annual report, as provided for in New Jersey, requires only the barest facts: the amount of capital, the names, addresses of the directors and location of the office, but no statement whatever as to the financial or other condition. The Massachusetts law requires * * * in addition to this purely perfunctory statement, definite information every year regarding the assets and liabilities of the corporation. These are to include the following items, each treated separately: Real estate, machinery, merchandise, cash and debts receivable, patent rights, trade marks, good-will, capital stock, accounts payable, funded indebtedness, floating indebtedness, surplus and profit and loss.

A strong point for the Massachusetts law, as compared with the New Jersey one, is that the Massachusetts statute provides for the scrutiny of such assets, as well as the kind of service rendered and the remuneration allowed for same, by the Commissioner of Corporations, whose indorsement is requisite to give the corporation legal standing."

Allegheny Bank to Resume.—The Comptroller of the currency authorized the First National Bank of Allegheny, Pa., to resume business December 7.

Charles E. Speer, President of the First National Bank of Pittsburg, has been elected President; F. H. Skelding, Cashier of the First National Bank of Pittsburg, has been elected Cashier, and a reorganization of the board of directors has been effected.

NOTICES OF NEW BOOKS.

[All books mentioned in the following notices will be supplied at the publishers' lowest rates on application to THE BANKERS PUBLISHING CO., 87 Maiden Lane, New York.]

HISTORY OF COINAGE AND CURRENCY IN THE UNITED STATES, AND THE PERENNIAL CONTEST FOR SOUND MONEY. By A. BARTON HEPBURN, LL.D., ex-Comptroller of the Currency, ex-Superintendent of Banking Department of the State of New York, Vice-President Chase National Bank. New York: The Macmillan Co.

The field of monetary and banking literature, which but a few years ago was almost barren, is constantly being enriched by contributions from the pens of the country's ablest bankers and economists. Mr. Hepburn is admirably qualified, both by his official experience and his business connections, to write with authority on matters pertaining to the country's banking and currency systems. He has patiently traced the monetary history of the country from colonial times to the present, and has clearly illustrated, by record rather than by argument, the disasters which have been suffered by the nation as a result of departures from sound principles. It is probable that the losses sustained through unwise currency legislation have never been so fully considered as they should have been, for the public mind is still hospitable to delusions of this sort. A work like that which Mr. Hepburn presents will therefore be of great value in establishing and maintaining right standards of judgment respecting these matters.

Care and accuracy are manifest throughout the work. We note, however, some slight ambiguities. On page 139 the "Indiana State Bank" is referred to, although the correct title should be Bank of the State of Indiana. Its predecessor was called the State Bank of Indiana, but there was no Indiana State Bank. On page 422 legal-tender notes are declared to be "better than gold certificates," although the preceding pages are devoted to showing how costly the legal-tender notes have been, and the fact of their having been continued as a permanent part of the circulation is deplored. Mr. Hepburn says that the reason the legal tenders are better than gold certificates is because that while they are redeemable in gold, they may be tendered to and forced upon a creditor in satisfaction of his debt. It might be said with equal truth that the legal-tender notes are inferior to gold certificates, because the latter have always been accepted at their face value, while the legal-tender notes required compulsory legislation to keep them afloat even at a discount. The statement that a note only partially secured by coin and that has been kept going only by the issue of $357,300,000 of interest-bearing bonds (p. 420) is better than one wholly secured, because the former is a legal tender while the latter is not, is an expression of opinion liable to give rise to some of the very fallacies which Mr. Hepburn seeks to controvert. For of all monetary heresies no one has been so instrumental in confusing the public mind and in producing disaster as the notion that superiority is conferred by legislative enactment. It was doubtless intended by the author to say that the legal tenders have the attributes of forced tender, which the gold certificates do not possess. It must not be forgotten that the legal tenders have needed this, while the certificates have not.

As good wine needs no bush to proclaim its virtues, so good money requires no forcing process to compel its acceptance. Legal-tender laws, quite frequently are a device to force inferior money into circulation. This was certainly the case with the laws making the greenbacks a legal tender. Such laws have been the most effective instruments legislatures could invent to deprive industry and labor of their just rewards.

The following reference is made (page 63) to some of Alexander Hamilton's reflections on banking:

"Hamilton's statements of rudimentary banking principles and defence of the character and purpose of banks sounds very droll, read in the light of the wonderful development of modern banking."

On reading the quotations from the first Secretary of the Treasury, however, one is apt to be struck quite as much by their soundness and good sense as by their drollery. Rudimentary though these statements were, they may be read now and hereafter with profit by every student of banking and finance.

In citing authorities, Mr. Hepburn appears to have relied too much upon other authors of similar works, instead of going to original sources of information. A single example out of many that might be given will illustrate this. On page 93 he says: "The safety-fund system was adopted by statute in New York State in 1829." Knox's History of Banking is cited as the authority for this statement, although the acts of the New York Legislature are easily accessible.

It is fortunate for those engaged in the study of the country's monetary history that a book of such high character and broad scope should have been written by a man so prominently identified with political affairs as Mr. Hepburn has been and of such wide and successful business and banking experience. He writes from the standpoint of a man of practical experience, although fully cognizant of sound theories. He shows his comprehension of the true function of history by narrating facts instead of merely writing a series of essays. In other words, he has written a history instead of a treatise. In compiling the statistical information, which is notably complete, Mr. Hepburn has had the assistance of Mr. Maurice L. Muhleman, an unquestioned authority on financial matters.

It is interesting to note what Mr. Hepburn has to say in regard to probable lines for currency reform (page 483):

"The establishment of a central or United States bank at the present or in the near future is altogether improbable and perhaps altogether undesirable. The existing National banks, so far as their note-issuing function is concerned, can be sufficiently welded together by uniform law and central supervision to make them practically one institution. Circulation can be made uniform and national in character, good beyond peradventure, by means of a redemption fund and a guarantee fund, easily convertible by central redemption, sufficiently elastic to respond to the varying needs of trade by basing the same in whole or in part upon assets or credits, and by graduated taxation the volume may be made to contract, in order to avoid speculative redundancy. In short, it can be made safe, convertible, elastic. All this can be done as well as with a United States bank. In fact, the whole system would amount practically to one bank so far as note issues are concerned and at the same time by preserving the individuality of the different banks would leave to the various localities the individual enterprise, local pride, and efficiency of management born of local knowledge, which is a consideration of paramount importance in a country of such wide extent and diversified interests as ours."

Considering the breadth and thoroughness of treatment of the subjects embraced in this history, and the manifest disposition of the author to record them with accuracy and fairness, and his exceptional ability to discern their proper relation to monetary evolution, it may be justly said that Mr. Hepburn has made a contribution to American financial literature that deserves to take, and will take, the very first place. It may be read with interest and profit by every one who desires to learn the facts relating to the financial history of the United States and who wishes to gain correct deductions from the record thus presented.

BANKING AND FINANCIAL NEWS.

This department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—Alexander H. Stevens, Vice-President of the Astor National Bank, and also of the Gallatin National Bank, was elected a director of the Century Bank November 13 to succeed Philip P. Dodge.

—Dumont Clarke, President of the American Exchange National Bank, succeeds the late Herbert B. Turner as director of the Lawyers' Title Insurance Co.

—Messrs. Fisk & Robinson were recently awarded an issue of $1,000,000 4½ per cent. Hawaiian Territorial bonds. The bid was at par. The bonds run for fifteen years and are exempt from all taxation and are authorized to be deposited with the Treasurer of the United States by United States depositories and fiscal agents as securities for deposits of United States funds.

—W. Condit Varich has been chosen Cashier of the Sprague National Bank, Brooklyn, to succeed James M. Doremus, who resigned to engage in private business. Mr. Varich was formerly connected with the Fourth National Bank and for the last two years has been a National bank examiner.

—On November 23 the Bank of the Metropolis took possession of its new sixteen-story bank and office building at the northwest corner of Broadway and Sixteenth street. For the past seventeen years the bank has done business on the opposite corner. The new building is a modern fireproof structure, built of stone and steel. The bank will occupy the ground floor.

—At a meeting of the board of trustees of the Fifth Avenue Trust Co., November 5, Valentine P. Snyder, President of the National Bank of Commerce, and Cecil D. Landale, Second Vice-President of the trust company, were elected directors to fill vacancies caused by the resignation of August Belmont and Frank Tilford.

—A new branch of the New York Produce Exchange Bank is located in the new apartment hotel, Broadway and Eighty-fifth and Eighty-sixth Street.

—The stockholders of the National Bank of Commerce held a meeting November 20 and ratified the proposition of the directors in regard to changes in the articles of the bank. The changes provide that there shall be an annual meeting on the same day in January on which other annual meetings are held, that the stockholders shall elect the directors and that more than one Vice-President may be elected.

The Bank of Commerce, which recently merged with the Western National Bank, had formerly a provision in its charter whereby its directors constituted a self-perpetuating body.

—A. D. Seymour, formerly Superintendent of the Hanover Safe Deposit Vaults, was recently elected Vice-President of the Manufacturers' National Bank, of Brooklyn. F. D. Mollenhauer was elected a director of the bank.

—The Maiden Lane National Bank is being organized with $250,000 capital. It is expected that the new bank will be located in Maiden Lane near William Street.

NEW ENGLAND STATES.

Boston.—E. A. Phippen has resigned as Secretary of the Old Colony Trust Co. and has been succeeded by E. Elmer Foye, formerly Assistant Secretary. Mr. Phippen will continue to be Assistant Treasurer, having heretofore held this office in addition to that of Secretary.

New Haven, Ct.—The Merchants' National Bank recently issued a pamphlet giving an interesting historical sketch of the institution. The bank was founded in 1851, and began as a State bank (as did most of the banks of New Haven) July 24, 1851. It was not until the

State Legislature had received an agreement from the founders that the following benevolences would be paid by the bank that the charter was granted: $4,000 toward the expense of a fence around the central green; $2,000 to the Young Men's Institute; $2,000 to the General Hospital Society of Connecticut, and $2,000 to the State Reform School when it should be established.

The present officers of the bank are: President, Charles S. Mersick: Vice-President James English; Cashier, David A. Alden; Assistant Cashier, Henry V. Whipple.

The Merchants' National became a National institution in May, 1865, and its name was, changed to the Merchants' National Bank. Regular dividends of six per cent. are paid and its stock is quoted at 64¼, the par value being 50.

The capital of the bank is $350,000; surplus and profits $153,000; deposits, $1,238,000.

MIDDLE STATES.

Pittsburg.—At the recent annual meeting and election of the Bankers and Bank Clerks' Mutual Benefit Association D. C. Wills, auditor of the Mellon National Bank, was elected president.

Addresses were made by John S. Scully, the retiring president, and by S. R. Shumaker, Vice-President of the National Bank of Western Pennsylvania, and by W. M. McFarland, of the Westinghouse Co.

—The Federal National Bank, which closed October 21, has been declared solvent, and it was announced that the bank would resume business on December 7.

Baltimore's Financial Growth.—The Baltimore "Sun" of November 20 contained the following: "In the last ten years Baltimore's banking institutions have greatly increased their capacity and the extent of their business. A comparison of 1903 with 1893 shows great progress. In the year last mentioned, according to the "Manufacturers' Record," the total of the capital, surplus, undivided profits and deposits in Baltimore's National and State banks and trust companies was $56,690,564, against $127,919,541 in 1903, an increase of over 125 per cent. The capital of these institutions has grown in the ten years by $12,905,148, or over 74.5 per cent., while undivided profits and surplus have grown by $21,412,455, or over 283 per cent. If to the resources here indicated be added the large capital and business of our private banks it will be perceived that the city's role in the financial operations of this section and the South is very considerable. The Savings banks help largely in the accumulation of the capital available for profitable enterprise. The total of deposits in our Savings banks is now $66,-928,028, against $41,877,622 in 1893, a gain of 59.8 per cent. If these deposits be added to the banking and trust resources enumerated above it will be found that Baltimore's financial strength of this character aggregates at present some $200,000,000.

—Negotiations have been concluded for the absorption of the Manufacturers' National Bank by the First National Bank. It is reported that the price paid for the $500,000 capital of the Manufacturers' Bank was $607,500.

Peekskill, N. Y.—Owing to lack of space, the MAGAZINE was unable to report the meeting held in the latter part of September to commemorate the seventieth anniversary of the Westchester County National Bank. A special dividend of five per cent. was declared, and each employee was presented with $70—a dollar for each year of the bank's existence. A banquet was given at which were present the officers and employees, and a few guests. Hon. C. A. Pugsley, President of the bank, presided, and addresses were made by Judge Thomas Nelson and others.

The Westchester County National Bank is among the oldest and most successful banks in the State. It is expected that a new building will be erected for the bank in the near future.

Plainfield, N. J.—The rapid increase of the business of the Plainfield Trust Company has made necessary the appointment of an Assistant Secretary. Edward F. Feickert, formerly with Messrs. Kountze Brothers, bankers, New York, has been elected to that office.

The Plainfield Trust Company has met with a remarkable success. It began business in June, 1902, with a capital of $100,000, and in a little over one year its deposits have reached the total of $750,000. Officers of the company are: O. T. Waring, President: A. V. Heely, Vice-President; H. A. McGee, 2nd Vice-President; J. Herbert Case, Secretary and Treasurer; Edward F. Feickert, Assistant Secretary.

Butler, Pa.—The directors of the Butler County National Bank recently voted to increase the capital of the bank from $200,000 to $300,000, and also to add $100,000 to the surplus, which was already $100,000. The market value of the stock is more than double the par value of $100 per share.

Syracuse, N. Y.—Stockholders of the Commercial National Bank met November 4 and approved the proposal to increase the capital stock from $250,000 to $500,000. The surplus will be increased to $200,000, the new stock being placed at $140.

Troy, N. Y.—An imposing fireproof building is being put up by the National State Bank. The exterior and interior construction will be modern in all respects. The building will be five stories, and it is expected to be ready for occupancy next April.

Kinderhook, N. Y.—The National Union Bank recently celebrated its fiftieth anniversary in an appropriate manner. It began business as the Union Bank of Kinderhook October 1, 1853. Wm. H. Rainey, the Cashier of the bank, has held that office continuously since the bank was started. Mr. Rainey has been honored by the bankers of the State by being elected vice-president of the New York State Bankers' Association. The bank has had a prosperous career, never failing to pay a substantial dividend, except in 1857, when the dividend was deferred but an extra one was paid the next year.

WESTERN STATES.

Peoria, Ill.—The German-American National Bank and the Commercial National Bank have consolidated and will hereafter be known as the Commercial German National Bank, the merger to become effective December 31. With a combined capital and surplus of over $700,000, the new institution will be the largest and strongest in the State outside of Chicago. Officers will be as follows: President, Walter Barker; first Vice-President, J. B. Greenhut; second Vice-President, John L. Flinn; Cashier, Weston Arnold; Assistant Cashier, Elwood A. Cole.

Minneapolis, Minn.—At the election of officers of the Minneapolis Trust Co., November 16, Samuel Hill, President of the company, declined re-election, and E. C. Cook was chosen to succeed him. Wm. H. Dunwoody and W. G. Northrup were re-elected Vice-Presidents, and Robert W. Webb, who has been Assistant Secretary, was made Secretary and Treasurer.

Wisconsin Bank Resumes.—The Montello (Wis.) State Bank has resumed with a capital of $25,000.

Resumption of a Minnesota Bank.—The Mapleton (Minn.) State Bank, which suspended recently pending an investigation of its books, reopened November 3.

Cincinnati.—The Third National Bank now occupies its fine new rooms, which in construction, decoration and equipment are up to the highest standard of modern banking requirements. Its steel vaults have a capacity of 3,500 boxes.

The present officials of the bank are: J. D. Hearne, President; Charles H. Kellogg, Vice-President: William Lemmon, Cashier: C. T. Perin, Assistant Cashier.

Toledo, Ohio—The Security Trust Co. and the State Savings Bank Co. have combined under the name of the Security Savings Bank and Trust Co., with $250,000 capital.

Location for a Bank.—R. H. Hawkins, of Crocker, Mo., writes: "Would you kindly call attention to the fact that Crocker is a good place for some one to found a National bank. Crocker has no bank of any kind, and there is no National bank in the county nor the vicinity. The State banks at Richmond, Dixon and Waynesville, and at Iberia, Miller county, are all prosperous and their stock sells at from 200 to 225. This is the natural location for a bank, as it is the railroad point for a territory from fifteen to twenty miles north of us, and thirty to thirty-five miles south. Freight comes to Crocker for over twenty-four inland towns and country stores, and mail for sixteen different post offices is thrown off the train at Crocker. A National bank, therefore, cannot fail to be a big thing here. Let some one interested investigate, or I will be glad to give any further information to interested parties."

Cleveland, Ohio.—Geo. J. Johnson was recently elected President of the City Trust Co. to succeed Herbert Wright, who resigned to engage in private business. Mr. Johnson has been identified with the City Trust Co. since its organization, and was an officer of the company's predecessor—the Wick Banking Co., his connection with the two companies as Vice-President extending over a period of twelve years. He will devote his entire time to the management of the company.

Indianapolis, Ind.—The rapid growth of the business of the American National Bank, of Indianapolis, has led it to create the new official position of counsel, with duties relating more particularly to questions arising in connection with credits and securities. Evans Woollen has been appointed to this office and will at once assume active participation in the administration of the banks' affairs.

St. Paul, Minn.—To accommodate depositors having small amounts of funds, the St. Paul National Bank has opened a Savings bank department. In order to keep the investments entirely free from speculative securities only 2½ per cent. interest will be paid.

The St. Paul National has also opened a special department for the use of women—a feature that is being found profitable by many city banks.

PACIFIC SLOPE.

Seattle, Wash.—On November 4 Lester Turner was elected President of the First National Bank, and Charles P. Masterson, formerly President of the Pacific National Bank, Tacoma, but more recently of New York, was chosen to succeed Mr. Turner as Cashier. The Cashiership has been held by Mr. Turner since 1890, and he recently purchased the stock of the bank held by his predecessor. He has been engaged in banking since the age of seventeen, first in Kentucky and later in New York city. In 1884 he went to San Francisco and in 1889 located at Seattle.

Tacoma, Wash.—The statement of the Fidelity Trust Co. on November 17 shows that this institution continues to grow, the deposits amounting on that date to $1,581,091. Deposits on the dates given were as follows:

December 31, 1901	$726,821	May 31, 1903	$1,406,230
May 31, 1902	1,056,711	November 17, 1903	1,581,091
December 31, 1902	1,128,798		

The capital of the company is $300,000 and the undivided profits $55,517.

GUARANTEED DRAFT-CHECKS.

Great inconvenience has been heretofore encountered by commercial travelers and others in getting checks cashed away from home. Even where identification is satisfactorily established, the delay in making the funds available, where a draft is drawn on the firm, causes the traveler to lose valuable time and incur unnecessary expense. In the case of traveling salesmen, they not infrequently call on their customers or hotels to cash drafts for them, thus creating an obligation which limits their independence.

All these annoyances may be avoided by using the guaranteed draft-checks issued by the United States Fidelity and Guaranty Company, of Baltimore. These checks carry with them their own means of identifying the payee, and their payment is absolutely guaranteed by the company having cash resources of over $3,000,000.

These draft-checks will be a great convenience to all travelers, and they will doubtless become popular. With the guaranty of the United States Fidelity and Guaranty Company, the checks are absolutely safe.

This new feature of the business of the company is an evidence of the keen financial sagacity of the President of the company, Mr. John R. Bland. He was the organizer of the company, having been previously Secretary of the Merchants and Manufacturers' Association of Baltimore, in which capacity he was largely instrumental in promoting the commercial and industrial interests of the city.

Under Mr. Bland's administration the United States Fidelity and Guaranty Company has become one of the strongest and most successful surety companies in the country, doing an especially large business in assuring the fidelity of officers and employees in banks and other corporations.

On Practical Lines.—Ben Hayes, Jr., Assistant Cashier Salisbury (Mo.) Savings Bank, writes: "Please accept my draft in payment for one year's subscription to The Bankers' Magazine. It is certainly well worth the price paid. It should be in the hands of every progressive banker, and is certainly edited on lines of practical banking."

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report. Names of officers and other particulars regarding these new National banks will be found under the different State headings.

National Banks Organized.

7010—Herring National Bank, Vernon, Texas. Capital, $75,000.
7011—First National Bank, Plainfield, Indiana. Capital, $25,000.
7012—First National Bank, Dry Ridge, Kentucky. Capital, $30,000.
7013—Central National Bank, Battle Creek, Michigan. Capital, $200,000.
7014—First National Bank, Winthrop, Minnesota. Capital, $25,000.
7015—First National Bank, Sparta, Illinois. Capital, $50,000.
7016—Farmers' National Bank, Van Alstyne, Texas. Capital, $50,000.
7017—Lodi National Bank, Lodi, Ohio. Capital, $25,000.
7018—First National Bank, Blakely, Georgia. Capital, $50,000.
7019—First National Bank, Taloga, Oklahoma. Capital, $25,000.
7020—Traders' National Bank, Birmingham, Alabama. Capital, $100,000.
7021—Citizens' National Bank, St. James, Minnesota. Capital, $25,000.
7022—First National Bank, Walsenburg, Colorado. Capital, $50,000.
7023—First National Bank, Angola, Indiana. Capital, $50,000.
7024—First National Bank, Frazee, Minnesota. Capital, $25,000.
7025—First National Bank, Beallsville, Ohio. Capital, $25,000.
7026—First National Bank, Mitchell, Nebraska. Capital, $25,000.
7027—First National Bank, Greenwood, South Carolina. Capital, $50,000.
7028—American National Bank, Abilene, Texas. Capital, $75,000.
7029—Empire National Bank, Clarksburg, West Virginia. Capital, $250,000.
7030—Pikeville National Bank, Pikeville, Kentucky. Capital, $25,000.
7031—First National Bank, Compton, Illinois. Capital, $25,000.
7032—American National Bank, Bartlesville, Indian Territory. Capital, $25,000.
7033—Hancock National Bank, Hancock, Minnesota. Capital, $25,000.
7034—First National Bank, Milton, Florida. Capital, $25,000.
7035—People's National Bank, Plymouth, Ohio. Capital, $25,000.
7036—First National Bank, Poseyville, Indiana. Capital, $25,000.
7037—First National Bank, Greenup, Kentucky. Capital, $25,000.
7038—Farmers and Merchants' National Bank, Reno, Nevada. Capital, $200,000.
7039—Piketon National Bank, Piketon, Ohio. Capital, $25,000.
7040—First National Bank, Edgerton, Wisconsin. Capital, $25,000.
7041—First National Bank, Smithville, Texas. Capital, $25,000.
7042—American National Bank, Tishomingo, Indian Territory. Capital, $25,000.
7043—First National Bank, Artesia, New Mexico. Capital, $25,000.
7044—Farmers and Merchants' National Bank, Troy, Alabama. Capital, $125,000.
7045—First National Bank, Floydada, Texas. Capital, $30,000.
7046—National Bank of Eldorado, Arkansas. Capital, $25,000.
7047—First National Bank, Lake Arthur, Louisiana. Capital, $25,000.
7048—First National Bank, Scotland, South Dakota. Capital, $25,000.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice:

First National Bank, Nampa, Idaho; by E. H. Dewey, *et al.*
First National Bank, Kalida, Ohio; by C. F. Douglass, *et al.*
First National Bank, Clendenin, West Virginia; by J. A. Osborne, *et al.*
First National Bank, La Harpe, Kansas; by W. O. Lenhart, *et al.*
First National Bank, New Lewisville, Arkansas; by J. O. Smith, *et al.*
First National Bank, Hampden, North Dakota; by E. R. Swarthout, *et al.*

First National Bank, Villa Grove, Illinois; by W. P. Anderson, *et al.*
First National Bank, Fontanelle, Iowa; by W. F. Johnston, *et al.*
First National Bank, Marceline, Missouri; by W. S. Woods, *et al.*
First National Bank, Stigler, Indian Territory; by Sam Rose, *et al.*
Citizens' National Bank, Ada, Indian Territory; by Jno. P. Crawford, *et al.*
National Bank of Glendive, Montana; by C. A. Banker, *et al.*
First National Bank, Spring Valley, Wisconsin; by J. C. Tanberg, *et al.*
First National Bank, Palo Alto, California; by C. E. Childs, *et al.*
Merchants' National Bank, Perham, Minnesota; by J. H. Lunemann, *et al.*
First National Bank, Glendive, Montana; by E. B. Clark, *et al.*
Christiana National Bank, Christiana, Pennsylvania; by Mahlon B. Kent, *et al.*
First National Bank, Millsboro, Pennsylvania; by Osman McCarty, *et al.*
German National Bank, Casselton, North Dakota; by Richard C. Kittel, *et al.*
First National Bank, Momence, Illinois; by W. W. Parish, Jr., *et al.*
First National Bank, Thomasville, North Carolina; by J. L. Armfield, *et al.*
Atglen National Bank, Atglen, Pennsylvania; by Thomas J. Philips, *et al.*
First National Bank, Eagan, South Dakota; by Albert Faegre, *et al.*
National Bank of Humboldt, Humboldt, Nebraska; by J. H. Morehead, *et al.*
First National Bank, New Prague, Minnesota; by F. H. Wellcome, *et al.*
Western National Bank, St. Louis, Missouri; by Arthur L. Crandall, *et al.*
National Bank of Waynesboro, Waynesboro, Georgia; by Wm. H. Davis, *et al.*
Lyon County National Bank, Rock Rapids, Iowa; by O. P. Miller, *et al.*
National Exchange Bank, El Paso, Texas; by Jno. M. Wyatt, *et al.*
National Bank of Pond Creek, Pond Creek, Oklahoma; by J. H. Decker, *et al.*
First National Bank, Francis, Indian Territory; by H. A. Kroeger, *et al.*
First National Bank, Apache, Oklahoma; by W. T. Clark, *et al.*
First National Bank, Lake Park, Minnesota; by J. E. Bakke, *et al.*

NEW BANKS, BANKERS, ETC.

ALABAMA.

BIRMINGHAM—National Safe Deposit Co.; capital, $50,000; Pres., W. P. G. Harding; Vice-Pres., J. H. Barr and W. W. Crawford; Sec., A. R. Forsyth; Treas., F. W. Bowron. ——Traders' National Bank; capital, $100,000; Pres., Jno. H. Frye.

LINEVILLE—First State Bank; capital, $15,000; Pres., Jno. S. Jemison; Cas., R. L. Ivey.

TROY—Farmers and Merchants' National Bank; capital, $125,000; Pres., Fox Henderson; Vice-Pres., J. C. Henderson; Cas., L. M. Bashinsky; Asst. Cas., C. H. Cowart.

ARKANSAS.

ATKINS—Merchants and Farmers' Bank; capital, $10,000; Pres., J. A. Bost; Vice-Pres., W. A. Montgomery; Cas., A. J. McCollum.

BENTON—People's Bank; capital, $12,500; Pres., J. K. Bell; Vice-Pres., J. W. Westbrook; Cas., J. F. Lee; Sec. and Treas., C. H. Houston.

EL DORADO—National Bank of El Dorado; capital, $25,000; Pres., B. W. Reeves.

FORT SMITH—Fort Smith Trust Co.; capital, $100,000; Pres., Samuel McLoud; Vice-Pres., A. N. Sicard; Sec., W. F. Blocker; Treas., A. N. Sicard.

CALIFORNIA.

HANFORD—People's Savings Bank; capital, $12,500; Pres., N. P. Duncan; Vice-Pres., John Ross; Cas., H. E. Wright; Asst. Cas., S. E. Railsback.

LOS ANGELES—Federal Bank; capital, $10,000; Pres., W. R. Clark; Vice-Pres., J. S. Kuns.

NEW CASTLE—Bank of New Castle; Pres., John A. Chantry; Vice-Pres., A. T. Cooper; Cas., E. E. Weeks; Asst. Cas., P. E. Cooper.

OAKLAND—Oakland Trust Co.; capital, $50,000; Pres., Dudley Kinsell; Vice-Pres., W. C. Moody; Cas., C. H. Jones.

STIRLING CITY—Stirling City Bank; capital, $12,500; Pres., Fred K. Clough; Vice-Pres., A. F. Jones; Cas., W. S. Stoddard.

COLORADO.

LYONS—Geo. Stickney.

WALSENBURG—First National Bank (successor to Fred Walsen & Son); capital, $50,000; Pres., Fred O. Roof; Vice-Pres., Jas. B. Dick; Cas., Ernst Ruth.

CONNECTICUT.

SOUTHPORT—Southport Trust Co.; capital, $25,000; Pres., A. O. Jennings; Vice-Pres., W. H. Perry and O. G. Jennings; Sec. and Treas., Richard G. Demarest.

FLORIDA.

MILTON—First National Bank; capital, $25,000; Pres., A. P. Hardee; Vice-Pres., L. P. Golson; Cas., D. T. Williams; Asst. Cas., C. H. Jernigan.

WHITE SPRINGS—Suwannee River Bank; Pres., C. D. Blackwell; Vice-Pres., H. de G. Stewart; Cas., H. C. Peace.

GEORGIA.

BLAKELY—First National Bank; capital, $50,000; Pres., E. Hilton; Vice-Pres., A. G. Powell; Cas., E. M. Boyd.

BYROMVILLE—J. S. Byrom; Cas., S. B. Byrom.

CAIRO — Citizens' Bank; capital, $25,000; Pres., W. S. Wright; Cas., F. N. Brannon.

JEFFERSONVILLE — Twiggs County Bank; capital, $15,000; Pres., J. C. Shannon; Vice-Pres., W. S. Witham; Cas., P. E. Glenn; Asst. Cas., F. D. Smith.

ILLINOIS.

CHANDLERVILLE—People's State Bank; capital, $25,000; Pres., J. C. Morse; Vice-Pres., G. W. Leeper; Cas., W. T. Pratt; Asst. Cas., H. S. Leeper.

COMPTON—First National Bank (successor to Farmers and Traders' Bank); capital, $25,000; Pres., Chas. Bradshaw; Vice-Pres., L. Carnahan, H. Larkin, Sr. and J. F. Betz; Cas., H. L. Fordham.

FREEBURG—German-American Bank (R. A. Youngblood).

MASON CITY—Central Illinois State Bank; capital, $30,000; Pres., D. H. Currey; Vice-Pres., W. G. Huse; Cas., F. W. Benhrig; Asst. Cas., E. H. Peirce.

SPARTA—First National Bank (successor to Merchants' Exchange Bank); capital, $50,000; Pres., E. B. McGuire; Cas., A. L. Wilson.

INDIANA.

ANGOLA—First National Bank; capital, $50,000; Pres., Cyrus Clyne; Vice-Pres., Ernest S. Crotton; Cas., Clarence Freeman; Asst. Cas., John B. Parsell.

FLAT ROCK—Bank of Flat Rock; Pres., H. J. Nading; Vice-Pres., W. R. Nading; Cas., F. F. Wilney.

FLORENCE—Deposit Bank; capital, $25,000; Pres., Chas. Loomis; Vice-Pres., W. H. Scott; Cas., B. S. Landram.

LA GRANGE—La Grange State Bank; capital, $25,000; Pres., W. H. Short; Cas., G. C. Nichols; Asst. Cas., S. F. Musser.

PENCE—Bank of Pence; capital, $12,000; Pres., John Ridenour; Vice-Pres., John Crawford; Cas., Fred R. Bell.

PLAINFIELD—First National Bank; capital, $25,000; Pres., B. W. Anderson; Vice-Pres., Oscar Hadley; Cas., G. G. Cumberworth.

POSEYVILLE—First National Bank; capital, $25,000; Pres., Isaiah Fletchall; Vice-Pres., James Cole; Cas., John W. Turner.

INDIAN TERRITORY.

BARTLESVILLE—American National Bank; capital, $25,000; Pres., H. N. Cook; Vice-Pres., Chas. A. Cook; Cas., Fred P. Spraul.

CANEY—Bank of Caney; capital, $10,000; Pres., W. H. Ritchie; Vice-Pres., C. J. Ralston; Sec., J. L. Carr; Treas., R. R. Hall.

CENTRALIA—Bank of Centralia; capital, $25,000; Pres., J. W. Toliver; Vice-Pres., O. H. Johnson; Cas., T. C. Montgomery.

McCURTAIN—McCurtain State Bank; capital, $50,000; Pres., D. H. Branham; Vice-Pres., D. R. Branham; Cas., A. J. Foster.

TISHOMINGO — American National Bank; capital, $25,000; Pres., L. C. Parmenter; Cas., B. R. Brundage.

IOWA.

ADAIR—Adair Savings Bank (successor to Bank of Adair); capital, $12,000; Pres., W. R. Turner; Cas., M. R. Porter; Asst. Cas., J. W. Hammond.

BLOCKTON—Blockton Bank; Pres., J. W. Reed; Cas., J. H. Poe; Asst. Cash., J. H. Maharry.

HASKINS — Famers & Merchants' Savings Bank; capital, $10,000; Pres., Sidney Coon; Cas., John C. Jones.

REMSEN—German Savings Bank (successor to Farmers Loan & Trust Co.); capital, $50,000; Pres., James F. Toy; Vice-Pres., M. Scheel; Cash., Frank Spiecker.

KANSAS.

ATHOL—First State Bank; capital, $5,000; Pres., J. R. Burrow; Vice-Pres., Henry Williams; Cas., F. R. Fleming.

McPHERSON—German State Bank; capital, $12,500; Pres., J. J. Towe; Vice-Pres., C. F. Mingenback; Cas., B. Harms.

POLA—Citizens' State Bank; capital, $20,000; Pres., Geo. Kingsley; Vice-Pres., Wm. Schwartz; Cas., John E. Wagner; Asst. Cas., W. E. Hoover.

REPUBLIC—Citizens' State Bank; capital, $10,000; Pres., J. W. Boughmer; Vice-Pres., A. Tobin; Cas., S. W. Jones.

SHARON—Sharon Valley Bank; capital, $10,000; Pres., H. H. Fair; Vice-Pres., G. W. Cavanaugh; Cas., C. H. Jones.

KENTUCKY.

CALHOUN—Calhoun Deposit Bank; capital, $7,500; Pres. Joe H. Miller; Vice-Pres., T. H. Ballantine; Cas., Chas. H. Ellis.

DRY RIDGE—First National Bank; Pres., T. J. Browning; Vice-Pres., J. R. Ervin and J. Dawalt; Cas., W. A. S. Blackburn; Asst. Cas., Daniel Blackburn.

FLORENCE—Florence Deposit Bank; Pres., T. L. Utz; Vice-Pres., W. H. Scott; Cash., Edith Lancaster.

GREENUP—First National Bank (successor to Farmers' & Merchants' Bank), capital, $25,000; Pres., W. T. Hord; Vice-Pres., Sturgis G. Bates; Cas., J. E. Pollock.——Citizens' State Bank; capital, $15,000; Pres., Matt Warnock; Vice-Pres., Joshua Kelley; Cas., J. M. Piterol.

HISEVILLE—Hiseville Deposit Bank; capital, $15,000; Pres., J. T. Himlock; Vice-Pres., E. S. Edwards.

PIKEVILLE—Pikeville National Bank; capital, $25,000; Pres., J. E. Yost; Vice-Pres., J. S. Cline; Cas., Fon Rogers.

ROCKPORT—Rockport Deposit Bank; Pres., J. E. Maddox; Vice-Pres., L. L. Fulkerson; Cas., E. L. Dupuy.

SANDY HOOK—Sandy Hook Bank; Pres., J. N. King; Vice-Pres., S. G. Hunter; Cash., D. B. Candill; Asst. Cas., J. W. Rose.

LOUISIANA.

Lake Arthur—First National Bank; capital, $25,000; Pres., Frank Roberts; Cas., W. S. Streator.

MARYLAND.

Keedysville—Keedysville Bank; Cas., Chas. E. Koegle.

MASSACHUSETTS.

Cambridge—Henry Brooks Davis & Co.

MICHIGAN.

Battle Creek—Central National Bank; capital, $200,000; Pres., Edward C. Hinman; Vice-Pres., Frank Wolf and Carroll L. Post; Cas., Frank G. Evans.

Farwell—Farwell Banking Co.; capital, $8,000; Manager, C. H. Sutherland.

Mesick—Anderson & Oliver; Pres., Fred. S. Anderson; Cas., Floyd E. Oliver.

South Boardman—D. H. Power & Co.; capital, $10,000; Manager, W. J. Rachow.

South Haven-South Haven Loan & Trust Co.

MINNESOTA.

Chisholm—State Bank; capital, $10,000; Pres., John Costin, Jr.; Vice-Pres., O. L. Pederson; Cas., A. W. Geggie.

Foxhome—State Bank (successor to Bank of Foxhome); capital, $10,000; Pres., A. Brandenburg; Vice-Pres., C. W. Cadatz; Cas., A. H. Denniston.

Frazee—First National Bank (successor to State Bank); capital, $25,000; Pres., A. H. Wilcox; Vice-Pres., T. R. Daniel; Cas., L. W. Oberhauser.

Hancock—Hancock National Bank (successor to Hancock Bank; capital, $25,000; Pres., Newton Smith; Vice-Pres., F. E. Frisbee; Cas., W. J. Brown, Jr.

Hitterdal—Security Bank; capital, $12,000; Pres., H. W. Hendrickson; Vice-Pres., M. J. Solum; Cas., Arthur P. Solberg.

Jordan—First State Bank; capital, $15,000; Pres., E. L. Welch; Vice-Pres., C. H. Westeman; Asst. Cas. C. I. Welch.

St. James—Citizens' National Bank (successor to Citizens' Bank); capital, $25,000; Pres., T. K. Haugen; Vice-Pres., J. J. Lenertz; Cas., H. M. Serkland.

Watson—First State Bank; capital, $10,000; Pres., E. P. Johnson; Vice-Pres., A. J. Peterson; Cas., L. H. Bay.

Winthrop—First National Bank; capital, $25,000; Pres., Jacob Klossener, Jr.; Vice-Pres., F. F. McGuire; Cas., A. L. Luick.

MISSISSIPPI.

Braxton—Braxton Bank; capital, $10,000; Pres., R. F. Everett; Vice-Pres., D. C. Cox; Cas., Hamilton Siverly.

Carthage—Leake County Bank; capital, $15,000; Pres., R. L. Jordan; Vice-Pres., J. D. Williams; Cas., W. H. Hunter.

Silver Creek—Merchants and Planters' Bank; capital, $15,000; Pres., F. F. Becker; Vice-Pres., D. C. Griffith; Cas., R. L. Longino.

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MISSOURI.

Greentop—Farmers' Bank; capital, $5,000; Pres., R. W. Hast; Vice-Pres., J. B. Alexander; Cas., W. L. Young; Asst. Cas., C. G. Young.

Lemonville—Matthew & Marshall Bank; capital, $5,000; Pres., C. H. Matthew.

Maplewood-Bank of Maplewood; capital, $1,200; Pres., J. L. Swink; Vice-Pres., J.W. Peeler; Cas., James McCausland.

Republic—Citizens' Bank; capital, $10,000; Pres., Martin L. Howard; Vice-Pres., G.W. Hayes; Cas., W. L. O. Bryant.

Rushville—Rushville State Bank; capital, $5,000; Pres., A. B. Jones; Vice-Pres., John W. Peck; Cas., E. M. Peters.

Sturges—People Exchange Bank; capital, $10,0000; Pres., C. N. Boorn; Vice-Pres., H. Metzner; Cas., W. M. Beal.

NEBRASKA.

Edison—Bank of Edison; capital, $5,000; Pres., C. A. Miller; Vice-Pres., Chas. Shafer; Cas., Geo. P. Smith.

Mitchell—First National Bank (successor to Mitchell Valley Bank); capital, $25,000; Pres., H. S. Clarke; Vice-Pres., M. Byal; Cas., H. S. Clarke, Jr.; Asst. Cas., H. J. Wisner.

Springview—Citizens' State Bank (Wm. M. Skinner); capital, $5,000.—Springview State Bank; capital, $5,000; Pres., Sam Deitrick; Cas., K. E. Deitrick; Asst. Cas., J. P. Winn.

NEVADA.

Reno—Farmers & Merchants' National Bank; capital, $200,000; Cas., W. J. Harris.

NEW MEXICO.

Artesia—First National Bank; capital, $25,000; Cas., Abram L. Norfleet.

NORTH CAROLINA.

Burlington—Piedmont Trust Co.; capital, $5,000; Pres., J. W. Murray; Vice-Pres., A. Graham; Sec. and Treas., D. M. Teague.

Hickory—Hickory Banking & Trust Co.; capital, $35,000; Pres., J. F. Abernethy; Vice-Pres., G. N. Hutton; Cas., W. C. Kenyon.

Marshall—Bank of French Road; capital, $11,000; Pres., J. J. Redmon; Vice-Pres., W. J. Byerly; Cas., W. B. Ramsey.

Mount Holly—Mount Holly Bank; capital, $5,000; Pres., H. A. Rhyne; Vice-Pres., J. M. Springs; Cas., J. A. Costner.

OHIO.

Beallsville—First National Bank; capital, $25,000; Pres., E. E. Miller; Vice-Pres., J. A. Brown; Cas., Harry Briggs.

Canal Dover—Reeves Banking and Trust Co.; capital, $100,000; Pres., J. E. Reeves; Vice-Pres., Jos. Rees and A. J. Krants; Sec. and Treas., L. H. Oerter.

CLEVELAND—Lincoln Sav. and Banking Co.; capital, $100,000; Pres., David Morrison; Vice-Pres., Chas. Sielbach and J. M. Friend; Cas., J. M. Hist.

DAYTON—First Savings and Banking Co.; capital, $100,000; Pres., Obed W. Irvin; Vice-Pres., Chas. W. Bieser; Cas., F. W. Gruen.

LODI—Lodi National Bank; capital, $25,000; Pres., James A. Hower; Vice-Pres., Ephraim P. Collins; Cas., Robert R. Woods.

PIKETON—Piketon National Bank; capital, $25,000; Pres., T. S. Rittenour; Cas., T. N. Patterson.

PLYMOUTH—People's National Bank; capital, $25,000; Pres., H. J. Willment; Vice-Pres., R. H. Nimmons; Cas., Jno. I. Beelman.

OKLAHOMA.

COYLE—People's State Bank; capital, $10,000; Pres., A. W. Adams; Vice-Pres., J. D. Townsend; Cas., M. E. Fruin.

DAVIDSON—Bank of Davidson; capital, $5,000; Pres., C. J. Herring; Vice-Pres., D. C. Campbell; Cas., A. North.

MOORELAND—Security State Bank; capital, $10,000; Pres., E. F. Quigley; Vice-Pres., W. A. Chain; Cas., Wm. F. Laird; Asst. Cas., J. C. Krauth.

TALOGA—First National Bank; capital, $25,000; Pres., J. C. Strang; Vice-Pres., Geo. E. Black; Cas., F. L. Black; Asst. Cas., John A. Clem.

OREGON.

EUGENE—Chambers-Bristow Banking Co.; capital, $50,000.

FOREST GROVE—Farmers and Merchants' Bank; capital, $25,000; Pres., R. M. Dooly; Vice-Pres., T. H. Adams.

PENNSYLVANIA.

ELWOOD CITY—Ellwood City Trust Co. (successor to Elwood City National Bank); capital, $242,400; Pres., H. S. Blatt; Vice-Pres., J. A. Gelbach; Treas., C. D. Coban.

PITTSBURG—Treasury Trust Co.; capital, $250,000; Pres., Geo. W. Acklin; Sec. and Treas., James E. Glass.

SOUTH CAROLINA.

GREENWOOD—First National Bank; capital, $25,000; Pres., S. H. McGhee; Vice-Pres., N. A. Craig; Cas., E. J. Cunningham.

HARTSVILLE—Bank of Hartsville; capital, $50,000; Pres., J. L. Coker; Cas., L. Vaughan.

SOUTH DAKOTA.

MANSFIELD—Mansfield State Bank; capital, $50,000: Pres., W. H. Brown; Vice-Pres., G. H. Brown; Cas., W. S. Wrigley.

SCOTLAND—First National Bank; capital, $25,000; Pres. C. C. King; Vice-Pres., V. S. Barker; Cas., J. P. Resner.

TULARE—Bank of Tulare; capital, $5,000; Pres., W. H. Mentor; Vice-Pres., Jas. Avery; Cas., F. L. Mentor.

TENNESSEE.

MASON—Bank of Mason; capital, $10,000; Pres., C. S. McCraw; Vice-Pres., George T. Webb; Cas., G. N. Albright.

PORTLAND—Portland Bank; capital, $10,000; Pres., W. T. McGlothlin; Vice-Pres., G. S. Moore; Cas., R. Dick Moore.

SNEEDVILLE—Hancock County Bank; capital, $25,000, Pres., D. A. Greene; Cas., M. H. Davis.

WAVERLY—Citizens' Bank; capital, $25,000; Pres., C. W. Turner; Vice-Pres., J. J. Danders; Cas., A. P. McMurry.

TEXAS.

ABILENE—American National Bank; capital, $75,000; Pres., James G. Lowdon; Vice-Presidents, O. W. Steffens and Geo. L. Paxton; Cas., W. T. Thompson.

BEDIAS—Citizens' Bank; capital, $5,000; Pres., Dave H. Shapira; Cas., R. E. L. Upchurch.

FLOYDADA—First National Bank; capital, $30,000; Pres., L. T. Lester; Vice-Pres., C. Surginer; Cas., Jasme B. Posey.

QUINLAN—Continental Bank and Trust Co.; capital: $159,150; Pres., J. G. Wilkinson; Vice-Pres., D. T. Bomar; Cas., A. M. Young; Asst. Cas., S. E. Dunham.

SMITHVILLE—First National Bank; capital, $25,000; Pres., C. R. Gaskill; Vice-Pres., W. W. L. Moore; Cas., Theo. R. Smith; Asst. Cas., R. J. Saunders.

VAN ALSTYNE—Farmers' National Bank; capital, $50,000; Pres., C. C. Walsh; Vice-Pres., E. G. Beall; Cas., G. W. Hay.

VERNON—Herring National Bank; capital, $75,000; Pres., C. T. Herring; Vice-Pres., H. H. Roads; Cas., Ben. F. Allen; Asst. Cas., Les K. Johnson.

WOODVILLE—Tyler County Bank; capital, $10,000; Pres., Geo. W. Riddle; Cas., L. R. Fife.

WASHINGTON.

SEATTLE—Union Savings & Trust Co.; capital, $100,000; surplus, $50,000; Pres., James D. Hoge, Jr.; Vice-Presidents, J. D. Lowman and A. B. Stewart; Cas., N. B. Solner.

SPOKANE—Farmers and Mechanics' Bank; capital, $50,000; Cas., A. R. Swanson.

WEST VIRGINIA.

CHARLESTON—Elk Banking Co.; capital, $50,000; Pres., H. B. Smith; Vice-Pres., A. J. Humphreys; Cas., Frank Freid.

CLARKSBURG—Empire National Bank; capital, $250,000; Pres., V. L. Highland; Vice-Pres., W. M. Tate and P. C. Williams; Cas., E. B. Deison.

GRANTSVILLE—Bank of Grantsville; capital, $10,000; Pres., A. G. Mathews; Vice-Pres., J. S. Jarvis; Cas., Arthur G. Miller; Asst. Cas., C. A. Jarvis.

JANE LEW—Bank of Jane Lew; capital, $35,000; Pres., J. G. Jackson; Vice-Pres., S. P. Bishop and C. L. Cookman; Cas., W. P. Carver.

UNION—Bank of Monroe; capital, $25,000; Pres., M. J. Kester; Vice-Pres., Jno. L. Rowan; Cas., H. P. Tracy; Asst. Cas., J. W. Lynch.

WISCONSIN.

EDGERTON—First National Bank; capital, $25,000; Pres., Geo. W. Doty; Vice-Pres., W. McChesney; Cas., V. S. Kidd.

FALL CREEK—State Bank; capital, $10,000; Pres., K. Rosholt; Vice-Pres., G. E. Bartz; Cas.. C. J. Lissack.

GRANTON—Farmers' State Bank; capital, $10,000; Pres., Robert Kurth; Vice-Pres., P. J. Kemmeter; Cas., W. Scott Davis.

STANLEY — Farmers and Merchants' State Bank; capital, $10,000; Pres., J. N. Cunningham; Vice-Pres., P. A. Lien; Cas., Nils Stalheim.

WYOMING.

GARLAND—J. W. Beatty & Co.; capital, $5,000; Cas., C. B. King; Asst. Cas., J. W. Beatty.

CANADA.

ONTARIO.

RIPLEY—Bank of Hamilton; successor to Jackson Bros.

CLAREMONT—Sovereign Bank of Canada.

MANITOBA.

BRANDON—Bank of Montreal; I. W. G. Watson, Mgr.

GRETNA—Bank of Montreal; S. J. Jarvis, Mgr.

NORTHWEST TERRITORY.

WETASKIWIN—Bank of Nova Scotia; A. S. Knight, Mgr.

CHANGES IN OFFICERS, CAPITAL ETC.

ALABAMA.

GREENSBORO—A. Lawson; business transferred to Bank of Greensboro.

COLORADO.

FORT MORGAN—First National Bank; J. P. Curry, Pres.; O. H. Shoup, Vice-Pres.; Arthur Hotchkiss, Jr., Asst. Cas.

GOLDEN—Woods-Rubey National Bank; W. P. Benedict, Vice-Pres. in place of W. S. Woods; H. M. Rubey, Cas. in place of W. P. Benedict; Jay J. Bryan, Asst. Cas. in place of H. M. Rubey.

CONNECTICUT.

BRIDGEPORT—City Savings Bank; Willard S. Plumb, Sec. and Treas. in place of William B. Hincks.

MERIDEN—Meriden National Bank; Levi E. Coe, Pres., deceased; Herman Hess, Vice-Pres.——Meriden Savings Bank; Levi E. Coe, Pres., deceased.

GEORGIA.

BUFORD—Shadburn Banking Co.; capital increased to $50,000.

ILLINOIS.

CAIRO—Alexander County National Bank; Fredolin Bross, Pres., deceased.

CHICAGO—Hibernian Banking Association; Hamilton B. Dox, Cas., deceased.

FREEPORT — Knowlton Bros.; Dexter A. Knowlton, deceased.

LACON—First National Bank; John I. Thompson, Pres. in place of John S. Thompson; no Vice-Pres. in place of John I. Thompson.

LINCOLN—German-American National Bank; Fred. C. W. Koehnle, Pres., deceased.

ORANGEVILLE—James Musser; succeeded by Bank of Orangeville; J. R. Speer, Pres.; J. A. Speer, Cas.

PEORIA—German-American National Bank and Commercial National Bank; consolidated under title of Commercial German National Bank (in effect December 31.)

SPRINGFIELD—First National Bank; Frank W. Tracy, Pres., deceased.

INDIANA.

INDIANAPOLIS—Columbia National Bank; A. A. Barnes, Pres. in place of Mortimer Levering; L. P. Newby, Nice-Pres. in place of A. A. Barnes.

MATTHEWS — First National Bank; B. E. Steble, Pres. in place of Jno. H. Wood; Jno. H. Wood, Cas. in place of B. E. Cole.

MISHAWAKA—First National Bank; James A. Roper, Pres. in place of M. V. Beiger; F. G. Eberhart, Jr., Vice-Pres. in place of James A. Roper.

INDIAN TERRITORY.

BEGGS—First National Bank; Silvester Biggerstaff, Vice-Pres. in place of C. H. Drinker.

DUNCAN——First National Bank; J. R. Prentice, Asst. Cas.

RYAN—First National Bank; M. M. Kern, Pres. in place of T. J. Lacy; O. B. Garrison, Vice-Pres. in place of D. T. Lacy.

SAPULPA—Farmers & Merchants' Bank; W. J. Burnett, Cas., deceased.

TISHOMINGO—First National Bank; E. F. Capshaw, Asst. Cas.

WAPANUCKA—Wapanucka Banking & Trust Co.; W. B. Duff, Pres. in place of H. G. Beard; J. M. Dickinson, Cas. in place of Clem White.

IOWA.

ALBIA—First National Bank; F. M. Drake, Pres., deceased.

BRIGHTON—National Bank of Brighton; H. F. Tracy, Cas. in place of A. B. Endicott.

CENTERVILLE—Centerville National Bank; F. M. Drake, Pres., deceased.

SHELDON—Security Savings Bank; capital increased to $50,000.

KANSAS.

PARKER—Parker State Bank; capital increased to $11,250.

PITTSBURG—National Bank of Pittsburg; E. V. Lanyon, Fres. in place of Josiah Lanyon; H. C. Willard, Vice-Pres.; Arthur K. Lanyon, Cas. in place of James Patmor; A. H. Layon. Asst. Cash. in place of Arthur K. Lanyon.

KENTUCKY.

MAYSVILLE—Mitchell, Finch & Co's Bank; Joseph F. Perrie, Cas., deceased.

MOUNT STERLING—Traders' National Bank; J. O. Greene, Cas. in place of Geo. W. Baird; C. T. Hazelrigg, Asst. Cas. in place of J. O. Greene.

LOUISIANA.

NEW ORLEANS—People's Bank; title changed to People's Savings, Trust and Banking Co.

MARYLAND.

BALTIMORE—Safe Deposits and Trust Co., of Baltimore; Francis M. Darby, Treas., deceased.

MASSACHUSETTS.

AYER—First National Bank; Howard B. White, Pres., in place of Levi Wallace, deceased; no Cas. in place of Howard B. White.

BOSTON—South End National Bank; Josiah H. Goddard, Vice-Pres., in place of Nathan B. Goodnow, deceased; Henry F. Goodnow, Cas. in place of Frank N. Robbins.——First National Bank; B. D. Blaisdell, Asst. Cas.——Old Colony Trust Co.; E. Elmer Foye, Secretary in place of E. A. Phippen; E. A. Phippen, Asst. Treas.

FAIRHAVEN—Institution for Savings; Cyrus D. Hunt., Pres., deceased.

WORCESTER—Citizens' National Bank; absorbed by Worcester Safe Deposit and Trust Co.; William D. Luey, Vice-Pres.

MICHIGAN.

GRAND HAVEN—National Bank of Grand Haven; M. W. Turner, Asst. Cas.

MIDDLEVILLE—State Bank; sold out to Farmers' Bank.

MINNESOTA.

AITKIN—Aitkin County Bank; title changed to Aitkin County State Bank; capital increased to $25,000.

DULUTH—City National Bank; W. L. McLennan, Asst. Cas. in place of Geo. E. Gibson.

MAPLETON—Mapleton State Bank (resumed); Cas., B. McGregor.

MINNEAPOLIS—Minneapolis Trust Co.; capital reduced to $250,000; surplus, $190,000; E. C. Cooke. Pres. in place of Samuel Hill; Robert W. Webb, Sec. and Treas.——German-American Bank; Geo. Huhn, Pres., deceased.

WADENA—First National Bank; C. W. Baumbach, Vice-Pres. in place of Frank Willson, deceased; E. J. Austen, Cas. in place of C. W. Baumbach; J. W. Austen, Jr., Asst. Cas. in place of E. J. Austen.

MISSISSIPPI.

JACKSON—Merchants' Bank; F. B. Neal, Asst. Cas., deceased.

MONTANA.

HELENA—Union Bank & Trust Co.; Henry Klein, Pres., deceased.

MILES CITY—State National Bank; capital increased to $100,000.

NEBRASKA.

DAVID CITY—First National Bank; S. G. Moore, Cas.

OMAHA—Equitable Trust Co.; capital reduced to $160,000.

WAUNETA—Wauneta Falls Bank; John Woods, Pres. in place of J. A. Shaw.

NEW HAMPSHIRE.

DOVER—Merchants' National Bank; John W. Jewell, Vice-Pres.

NEW JERSEY.

CAMDEN—Camden National Bank; Francis C. Howell, Pres., in place of Benjamin F. Archer, deceased.

NEWARK—Howard Savings Institution; Horace T. Brumley, Pres. in place of Eugene Vanderpoel; Samuel S. Dennis, First Vice-Pres.; Robert Ballantine, Second Vice-Pres.; Robert D. Mead, Sec.; Alexander S. Ward, Treasurer.

PLAINFIELD—Plainfield Trust Co.; Edward F. Feickert, Asst. Sec.

NEW YORK.

BROOKLYN—Sprague National Bank; W. Condit Varich, Cas. in place of James M. Doremus.——People's Bank; James Gascoine, Pres., deceased.

BUFFALO—People's Bank; Clarence Winfield Hammond, Vice-Pres. and Cas., deceased.

CATSKILL—Catskill National Bank; James P. Phillip, Pres. in place of Isaac Pruyn.

NEW YORK—Harlem Savings Bank; Frank B. Tooker, Pres., deceased.

SYRACUSE—Commercial National Bank; capital increased to $500,000.

UTICA—Utica City National Bank; capital increased to $800,000.

NORTH DAKOTA.

HILLSBORO—Hillsboro National Bank; A. L. Plummer, Pres., deceased.

OHIO.

CINCINNATI—Franklin Bank; Albert J. Becht, Cas. in place of Henry Burkhold.

CLEVELAND—City Trust Co.; Geo. J. Johnson, Pres. in place of Herbert Wright.

EAST LIVERPOOL—Citizens' National Bank; Joseph G. Lee, Pres. in place of Robert Hall; H. H. Blythe, Vice-Pres. in place of Joseph G. Lee; H. H. Blythe also Cas.

McCONNELSVILLE—Citizens' National Bank; C. L. Alderman, Cas. in place of A. P. Whitaker.

MINGO JUNCTION—First National Bank; B. R. Cole, Cas. in place of L. L. Grimes.

NORWALK—Citizens' Banking Co.; capital increased to $100,000.——Ohio Trust Co., capital increased to $150,000.

SPRINGFIELD—Mad River National Bank; Thomas F. McGrew, Pres. deceased.

TOLEDO—Security Trust Co. and State Savings Bank Co.: consolidated under title of Security Savings Bank & Trust Co.; capital, $250,000.

URBANA—Citizens' National Bank; James M. Mosgrove, Pres., deceased.

OKLAHOMA.

ALVA—Alva National Bank; I. R. Mason, Pres., in place of H. K. Bickford; S. R. Bruce, Cas., in place of L. A. Westfall.

LAWTON—Citizens' Bank; capital increased to $20,000.——Citizens' State Bank; capital increased to $25,000.

OREGON.

ASTORIA—Astoria National Bank; Geo. H. George, Pres., in place of D. K. Warren, deceased; Geo. W. Warren, Vice-Pres., in place of Geo. H. George.

BAKER CITY—Citizens' National Bank: A. E. Beard, Cas., in place of D. W. French.

PENNSYLVANIA.

BARNESBORO—First National Bank; T. Barnes, Pres., in place of J. S. Miller.

BUTLER—Butler County National Bank; capital increased to $300,000.

CHESTER—Cambridge Trust Co.; P. M. Washabaugh, Third Vice-Pres., Trust Officer and Treas.; Wm. A. Dyer, Sec.

CLARION—Second National Bank; J. T. Maffett, Vice-Pres., in place of T. J. Payne.

GROVE CITY—First National Bank; W. C. Alexander, Pres., in place of A. E. Graham.

PITTSBURG—Diamond Savings Bank; Wm. Price, Pres., in place of John S. Scully; L. E. Huseman, Cas., in place of John S. Scully, Jr.

PLEASANT UNITY--Pleasant Unity National Bank; no Cas. in place in place of W. Ralph Barnhart; I. G. Latta, Asst. Cas.

WASHINGTON—First National Bank; Colin M. Reed, Pres., in place of A. Murdoch; S. M. Templeton, First Vice-Pres., in place of Colin M. Reed; D. M. Donehoo, Second Vice-Pres.

TENNESSEE.

KNOXVILLE--Union Bank; H. Hudson, Pres., R. H. Sansom, Vice-Pres.; W. P. Flenniken; Cas.; Claude Fitzgerald, Asst. Cas.

TEXAS.

DAINGERFIELD—National Bank of Daingerfield; Lou. Bradfield, Pres. in place of J. Y. Bradfield, deceased.

DALLAS—Trinity Valley Trust Co.: capital increased to $16,000.——Guarantee Loan and Banking Co.; capital increased to $5,000.

FORNEY—City National Bank; R. P. Pinson, Pres. in place of D. G. McKellar, deceased.

GONZALES—Gonzales National Bank; John C. Jones, Jr., Asst. Cas.

KARNES CITY—Karnes County National Bank; J. L. Browne, Pres. in place of S. C. Butler; S. A. Hickok, Vice-Pres. in place of J. L. Browne.

KILLEEN—First National Bank; Otho S. Houston, Pres. in place of J. W. Pace; J. Pace, Vice-Pres. in place of A. M. Monteith; W. S. Watson, Cas. in place of J. R. Shepard.

NOCONA—National Bank of Nocona; J. G. Clark, Asst. Cas. in place of M. M. Kern.

SAN ANTONIO—Frost National Bank; Thos. Clayton Frost, Pres., deceased.

SEALY—Sealey National Bank; no Cas. in place of J. G. Wessendorf.

SOUR LAKE—D. Call & Co.: consolidated with First National Bank under latter title.

STEPHENVILLE—First National Bank; Geo. W. Riddle, Pres. in place of Otho S. Houston; Lee Riddle, Vice-Pres. in place of W. E. Stewart; J. R. Hyatt, Asst. Cas. in place of W. S. Watson.

WICHITA FALLS—Panhandle National Bank; title changed to First National Bank.

WORTHAM—First National Bank; Warren Allegre, Pres. in place of J. H. Farrar; J. H. Farrar, Cas. in place of W. J. Johnson; C. B. Dunegan, Asst Cas.

YORKTOWN—First National Bank; Hy Borchers, Vice-Pres. in place of Fred. Dahme.

UTAH.

OGDEN—First National Bank; John Pingree Asst. Cas.

SALT LAKE CITY—Commercial National Bank; E. W. Wilson, Cas. in place of J. W. Donnellan.

VIRGINIA.

PORTSMOUTH—Portsmouth Dime Savings Bank; A. J. Phillips, Cas., pro tem. in place of John H. Downing.

WASHINGTON.

EVERETT—American National Bank; H. L. Merritt, Asst. Cas. in place of P. C. Murphy.

HOQUIAM—First National Bank; W. L. Adams, Pres. in place of Geo. H. Emerson; no Vice-Pres. in place of C. F. White; no Cas. in place of W. L. Adams; A. G. Rockwell, Act. Cas.

SEATTLE—First National Bank; Lester Turner, Pres.; Charles P. Masterson, Cas. in place of Lester Turner.

WISCONSIN.

MONTELLO—Montello State Bank (resumed); capital, $25,000.

MAUSTON—State Bank; L. Wiedenbeck, Cas. in place of W. W. Hinton.

CANADA.

MANITOBA.

STONEWALL—Bank of Hamilton; W. H. Carrol, Mgr.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

COLORADO.

CRIPPLE CREEK—Bimetallic Bank.
PUEBLO—Pueblo Title and Trust Co.
VICTOR—First National Bank; in hands of Receiver November 4.

ILLINOIS.

DUNDEE—First National Bank; in hands of Receiver November 23.

INDIANA.

ELKHART—Indiana National Bank; in hands of Receiver November 19.
STAR CITY—Citizens' Bank.

IOWA.

GERMANIA—State Bank; in hands of Frank Weiner, Receiver, November 26.
IRETON—Bank of Ireton.
SHELDON—Sheldon State Bank.

MARYLAND.

MOUNT AIRY—Jones & Co.

MASSACHUSETTS.

WORCESTER—First National Bank; in voluntary liquidation October 22.——Winslow & Co.

MICHIGAN.

MIDDLEVILLE—State Bank.

MINNESOTA.

JORDAN—Scott County Bank.

PENNSYLVANIA.

ELLWOOD CITY — Ellwood City National Bank; in voluntary liquidation October 24.

SOUTH CAROLINA.

CAMDEN—Farmers and Merchants' Bank.

SOUTH DAKOTA.

EGAN—Egan State Bank.

TENNESSEE.

GAINESBORO—First National Bank; in voluntary liquidation November 10.

TEXAS.

DAWSON—J. A. Buckingham.
HENRIETTA—Farmers' National Bank; in hands of Receiver November 19.
KENEDY—Bank of Kenedy.
SOUR LAKE—Sour Lake National Bank; in voluntary liquidation October 8.

WEST VIRGINIA.

PINE GROVE—Bank of Pine Grove.

WYOMING.

CASPER—W. A. Denecke.

NOTICES OF NEW BOOKS.

FINANCIAL ADVERTISING. By FRANCIS R. MORISON, Wilmington, Del.

Financial advertising, until recent years at least, does not seem to have been made the subject of much special study by those most interested in the matter—the financial institutions themselves. But the large increase in advertising among the greatest and most successful banks and trust companies shows that the matter of advertising is now receiving careful attention. This tendency is further illustrated by frequent addresses on advertising, delivered at bankers' conventions, and also by the occasional publication of books on the subject.

Mr. Morison says that financial advertisements should be very much like advertisements in other branches of business, and not, as is generally the case, mere announcements of title, capital and officers; prospective patrons should be appealed to by arguments likely to arouse their interest, and if the advertisement is well worded, attractively gotten up and well displayed, it cannot fail to gain their attention and hold it.

After enumerating the customary mediums to be used for obtaining local business, Mr. Morison says:

"In large centres where accounts of country banks and bankers or collection items are desired, an advertisement judiciously placed in a bank directory or financial journal, will be found to be of great service."

Many of the cheap catch-penny advertising schemes are severely and justly condemned.

This little work on financial advertising contains a number of helpful suggestions, and also numerous practical illustrations of appropriate wording and typographical arrangement of bank and trust company advertisements. It will be found useful and valuable to those who are seeking to improve their financial advertising.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, December 3, 1903.

A MORE FAVORABLE SENTIMENT began to manifest itself in financial circles late in the month. During the early part of the month the situation in Wall Street was not encouraging. Prices recovered only to decline again, and when a stock like Pennsylvania, which sold above 157 last January and at 170 only about a year ago, dropped down to the record-breaking figure of 110¾, there were many to doubt if any improvement might be expected this year. But the close of the month finds many securities enhanced in price and some prospect of improvement yet to come.

The "industrial" stocks fared the worst and there is no question that many of them are discredited. In fact, it is hardly possible to examine the list of securities which come under that head and to note the enormous capitalization they represent, without feeling some doubt as to the ability of the investing public to "digest" them, even at the tremendous concessions already made in their market values.

The litigation in connection with the United States Shipbuilding Company has caused no little unfavorable comment, and until it is ended and no more unpleasant disclosures are to be apprehended, its effect will be unfavorable.

During the month the conversion of United States Steel preferred stock into bonds was terminated, and the agreement with the syndicate cancelled. About $170,000,000 of the bonds have been issued and $30,000,000 are available for sale for cash. The remaining $50,000,000 exchangaable for preferred stock will be held in the treasury of the company for the present.

Before the termination of the conversion scheme United States Steel common stock had fallen to 10, the preferred stock to 49¾, and the bonds to 65.

The experience of investors in industrial stocks has been in many cases unfortunate. They have seen their dividends reduced or passed. The Republic Iron and Steel Company is the latest to abandon dividend paying. After paying 7 per cent. per annum on the preferred stock since October 1, 1899, it passed the dividend on November 29. There is more than $20,000,000 of the stock outstanding, and this action means a loss in income to those who own the stock, of nearly $1,500,000 per annum.

The declines in prices of industrial shares have been sweeping. We have prepared a partial list showing the capital outstanding, the prices at which the stocks once sold, since January 1, 1900, the closing price on November 30, and the net decline. These securities represent a capitalization of close upon two billion dollars, but the present market value falls far short of equalling one half of that sum. The table follows :

	Amount Outstanding.	*Highest price 1900–1903.**	*Price Nov. 30, 1903.*	*Decline.*
Amalgamated Copper..............	$153,887,900	130	38½	91½
American Car and Foundry.......	30,000,000	41¾	18⅞	22⅞
" " preferred...	30,000,000	93⅝	65	28⅝
American Cotton Oil...............	20,237,100	57¾	29¼	28½
American Ice........................	22,921,900	49½	7⅞	41⅝
" " preferred.........	13,327,200	78½	27¾	50¾
American Locomotive.............	25,000,000	36⅞	14½	22⅜
" " preferred...	24,100,000	100¼	75	25¼

	Amount Outstanding.	Highest price 1900–1903.	Price Nov. 30, 1903.	Decline.
American Smelting and Refining..	50,000,000	69	44	25
" " preferred...	50,000,000	104⅞	87¼	17⅝
Colorado Fuel and Iron............	23,932,000	136½	25	111½
Corn Products......................	45,215,500	38⅜	18¼	20⅛
" " preferred............	27,380,700	90	64⅞	25⅛
International Paper................	17,442,900	28	11	17
" " preferred.....	22,539,700	81¼	61⅜	19⅞
International Power...............	6,400,000	199	25	174
National Biscuit.....................	29,236,000	53¼	35½	17¾
" " preferred.........	23,825,100	109½	96⅞	12⅝
National Lead......................	14,905,400	32	14¾	17¼
" " preferred.........	14,904,000	106½	79½	27
Pressed Steel Car Co................	12,500,000	65¾	25	40¾
" " preferred.....	12,500,000	96½	64	32½
Railway Steel Spring...............	13,500,000	38½	16½	22
" " preferred.....	13,500,000	90¼	73	17¼
Republic Iron and Steel............	27,191,000	27½	6	21½
" " " preferred...	20,306,900	83⅜	40½	42⅞
Rubber Goods Manufacturing Co..	16,941,700	38¼	15½	22¾
Tennessee Coal and Iron...........	22,553,600	104	28½	75½
United States Realty...............	33,198,000	32	6	26
" " preferred....	27,011,100	75½	38	37½
United States Steel.................	508,495,200	55	10⅞	44⅛
" " preferred....	379,903,100	101⅞	52⅛	49¾

After contemplating the capital represented in the foregoing exhibit, it is a matter of very great importance that the creation of new corporations with large capital has practically ceased. The "Journal of Commerce" notes that the aggregate capitalization of new corporations with $1,000,000 capital or more chartered during the month of November is the smallest for any month in more than four years. The total is only $56,000,000, as against $115,140,000 in November, 1902, and $508,850,000 in November, 1901. For the eleven months this year the aggregate is $1,572,201,000, as compared with $2,520,828,650 in 1902 and $3,510,355,000 in 1901.

There are many favorable conditions existing which must be taken into account in making any forecast of the futnre. Even the reverses that have been sustained will have a corrective influence. That we have a large corn crop this year is now definitely known. The Government's harvest estimate promises a total of 2,318,000,000 bushels, which was exceeded only by the enormous crop of last year, which was nearly 2,524,000,000 bushels. A big corn crop means a great deal to the railroads.

An interesting and important announcement last month was to the effect that J. P. Morgan & Co. had purchased $40,000,000 of the $50,000,000 issue of twenty-five-year 4 per cent. bonds of the Lake Shore Railway. This is suggestive of an improved feeling regarding investments.

The foreign trade returns for October caused snrprise by reason of the magnitude of our exports. They reached the extraordinary total of $160,370,059, an amount never exceeded in any month excepting in the corresponding month of 1900, when they were more than $163,000,000. The exports were nearly $50,000,000 larger than in September.

There is, of course, no mystery about this remarkable increase in exports. More than $39,000,000 of the increase was in cotton exports, while breadstuffs contributed more than $3,000,000. The exports of cotton alone amounted to $60,000,000 as against $21,000,000 in September and $42,000,000 in October, 1902. The export price of the cotton shipped in October was over 10 cents a pound, as against only about 8 cents a year ago.

The movement of cotton has been delayed this year on account of the lateness of the crop, but it is now going forward rapidly. The movement is usually largest between September and January, and we show the monthly exports in the first five months of the cotton year in the last six years, as follows:

YEAR.	*September.*	*October.*	*November.*	*December.*	*January.*
	Bales.	Bales.	Bales.	Bales.	Bales.
1898–1899	324,857	1,136,708	1,483,126	1,430,376	1,006,123
1899–1900	521,719	790,855	711,764	683,950	719,051
1900–1901	386,913	1,213,355	841,849	882,706	717,208
1901–1902	392,052	1,118,082	1,081,907	1,044,157	969,624
1902–1903	677,773	976,964	837,599	1,092,977	892,525
1903–1904	379,859	1,162,003	....	... .	....

The September exports were small this year but October exports were about the usual amount. The bulk of the exports is in the first five months, as will be seen from the accompanying table:

YEAR ENDED AUGUST 31.	*Five months ended Jan. 31.*	*Seven months ended Aug. 31.*	*Year.*
	Bales.	Bales.	Bales.
1893	2,835,244	1,658,686	4,493,930
1894	3,621,590	1,712,853	5,334,443
1895	4,777,118	2,106,070	6,883,188
1896	2,844,829	1,906,555	4,751,384
1897	4,308,733	1,779,788	6,088,521
1898	4,838,467	2,835,853	7,674,320
1899	5,381,190	2,070,926	7,452,116
1900	3,427,339	2,624,453	6,051,792
1901	4,042,041	2,597,890	6,639,931
1902	4,605,822	2,124,391	6,730,213
1903	4,477,838	2,288,540	6,766,378

The large exports piled up a balance for October of $78,000,000, making a total of nearly $309,000,000 for the ten months of the calendar year. Some gold has come from abroad and there is no reason to doubt that more will be forthcoming if it is actually needed. But the amount of money now in circulation is far in excess of all previous records. There is now nearly $2,450,000,000 of money outside of the United States Treasury. This is in excess of $30 per capita for the entire population. It is nearly double the per capita in 1879 and $8.80 more than in 1896. We present a table showing the amount of the various kinds of money in circulation at four different dates:

	July 1, 1879.	*July 1, 1892.*	*July 1, 1896.*	*Dec. 1, 1903.*
Gold coin	$110,505,362	$408,568,824	$454,905,064	$627,025,092
Gold certificates	15,279,820	141,093,619	42,198,119	404,070,929
Silver dollars	8,036,439	56,817,462	52,116,904	80,799,960
Silver certificates	414,480	326,693,465	330,657,191	466,501,082
Fractional silver	61,346,584	63,293,704	60,204,451	97,130,806
United States notes	272,289,112	309,559,904	224,249,868	344,293,651
Currency certificates	29,355,000	29,840,000	31,390,000	....
Treasury notes	....	98,258,692	95,045,247	16,381,280
National bank notes	321,404,996	167,221,517	215,168,122	412,965,618
Total	$818,631,793	$1,601,347,187	$1,506,434,966	$2,449,168,418
Per capita	$16.75	$24.56	$21.41	$30.21

On July 1, 1879, six months after the resumption of specie payments, there was $818,000,000 in circulation, or $16.75 per capita. This was increased to $1,601,000,000, or $24.56 per capita, by July 1, 1892. Then there came a decrease which left the total at $1,506,000,000, or $21.41 per capita, on July 1, 1896. Since the latter date there has been an almost continuous increase. It will be noted that more than $1,081,000,000 of the circulating medium consists of gold. Counting the gold reserve held to secure the United States notes, about one-half of the entire currency is gold.

A notable decrease has occurred in the production of pig iron, and without attempting to exaggerate its meaning, it must be accepted as evidence of a considerable reduction in consumption. The production in October (31 days) was 1,562,819 gross tons, as compared with 1,596,703 tons in September (30 days) and with 1,716,-906 tons in June (30 days). But the output has been further limited since October 1, the figures for that month therefore not showing the full extent of the reduction. On November 1 the weekly capacity of the furnaces in blast was only 282,219 tons as reported by the "Iron Age." This compares with 361,492 tons on October 1, or nearly 80,000 tons per week, which means a rate of 4,000,000 tons a year, but the decrease has continued since June 1 last, amounting since that time to nearly 116,000 tons weekly, or about 6,000,000 tons a year.

The following table shows the weekly production of pig iron at various dates since July 1, 1897:

July 1, 1897	164,064	July 1, 1900	283,413	June 1, 1903	398,139
January 1, 1898	226,608	January 1, 1901	250,351	July 1, 1903	395,042
July 1, 1898	216,311	July 1, 1901	310,950	August 1, 1903	362,330
January 1, 1899	243,516	January 1, 1902	298,460	September 1, 1903	369,933
July 1, 1899	263,363	July 1, 1902	310,950	October 1, 1903	361,492
January 1, 1900	294,186	January 1, 1903	353,800	November 1, 1903	282,219

From July 1, 1897, to May 1, 1898, there was a continuous increase until the output reached 234,163 tons. With some reverses the increase continued until February 1, 1900, when the production was 293,014 tons per week. During most of the year 1900 production decreased, and on November 1 it was down to 215,304 tons, but by June 1, 1901, it had increased to 324,761 tons, and without any serious setback kept moving ahead until on June 1, 1903, it had reached 398,139 tons, the maximum record. The decrease which has since occurred has reduced the weekly output to the lowest point touched since February, 1901, or in nearly three years.

Some very valuable railroad statistics for the year 1902 are to be found in "Poor's Manual" for 1903, just issued. It makes the total railroad mileage in the country 203,132 miles, an increase for the year of 4,364 miles. It gives the capital stock of the railroads operating 199,685 miles at $6,078,290,596, or $30,439 per mile, and the bonded debt at $6,465,290,839, or $32,377 per mile. The capital stock per mile decreased $82, while the bonded debt per mile increased $1,566. The latter is the largest since 1880 and is probably the largest for any period. The following table shows the earnings and interest and dividend payments yearly since 1890:

Years.	*Gross earnings*	*Net earnings*	*Total available revenue.*	Payments from available revenue. *Int. on bonds*	Payments from available revenue. *Dividends.*
1890	$1,086,039,735	$342,071,296	$449,712,756	$224,499,571	$83,575,705
1891	1,125,381,994	350,748,483	451,947,193	228,572,703	89,099,757
1892	1,169,036,840	352,817,405	467,216,357	229,909,292	93,862,412
1893	1,207,106,026	358,648,918	469,815,755	237,677,728	94,295,815
1894	1,066,943,358	317,757,399	413,916,233	234,702,912	83,478,669
1895	1,092,395,437	323,196,454	436,964,529	239,698,134	81,685,774
1896	1,125,632,025	332,766,979	437,701,890	243,287,730	81,528,154
1897	1,132,866,626	342,792,030	440,423,354	234,454,578	83,680,040
1898	1,249,558,724	389,666,474	494,203,378	237,133,099	94,937,526
1899	1,336,096,379	423,941,689	479,561,094	239,178,913	109,032,252
1900	1,501,695,378	483,247,526	551,020,460	244,447,806	140,343,653
1901	1,612,448,826	520,294,727	588,663,541	254,318,380	156,887,283
1902	1,720,814,900	560,026,277	635,269,592	263,237,451	178,200,752

The gross earnings increased $108,000,000 in 1902 as compared with 1901 and the net earnings increased $40,000,000. Interest on bonds increased $9,000,000, and dividends on stock $21,000,000. The total dividend payments increased nearly $91,-000,000 since 1896, or to more than double what they were six years ago. A particularly interesting table gives some valuable data covering twenty years. From it the following figures for the last ten years are taken:

YEAR.	*Interest, average rate.*	*Dividends, average rate.*	*Per ton per mile, average rate.*	*Per passenger per mile, average rate.*	*Earnings per mile of railroads in operation.* Gross.	Net.	*Percentage of expenses to earnings.*
	Per cent.	Per cent.	Cents.	Cents.			
1893.....	4.81	1.88	0.893	2.072	$6,963	$2,069	70.29
1894.....	4.19	1.66	0.864	2.025	6,054	1,803	70.22
1895.....	4.24	1.58	0.839	2.069	6,097	1,804	70.41
1896.....	4.45	1.52	0.821	2.082	6,223	1,840	70.43
1897.....	4.24	1.49	0.797	2.029	6,228	1,884	69.74
1898.....	4.21	1.68	0.758	1.994	6,771	2,111	68.16
1899.....	4.24	1.90	0.726	2.002	7,161	2,272	68.27
1900.....	4.24	2.42	0.746	2.031	7,826	2,519	68.93
1901.....	4.21	2.62	0.756	2.028	8,270	2,668	67.73
1902.....	4.07	2.93	0.764	2.012	8,696	2,830	67.45

The average rate of interest paid is the lowest in twenty years, while the average rate of dividends was the largest in the same time. The freight rate per ton per mile is higher than in either of the previous four years, while the passenger rate was the lowest for any year, excepting 1898 and 1899. The gross and net earnings per mile as well as the expense ratio make a very favorable showing.

THE MONEY MARKET.—About all the activity in the local money market is in call money, rates for time money being considered too high. There is very little doing in commercial paper, lenders preferring to put their money into call loans which now command a high rate. At the close of the month call money ruled at 6 @ 9 per cent., the average rate being 7 per cent. Banks and trust companies loaned at 6 per cent. as the minimum rate. Time money on Stock Exchange collateral is quoted at 6 per cent. for 30 to 90 days, and 5½ per cent. for 4 to 6 months on good mixed collateral. For commercial paper the rates are 6 per cent. for 60 to 90 days' endorsed bills receivable, 6 @ 6½ per cent. for first class 4 to 6 months' single names, and 6 @½ 7 per cent. for good paper having the same length of time to run.

MONEY RATES IN NEW YORK CITY.

	July 1.	*Aug. 1.*	*Sept. 1.*	*Oct. 3.*	*Nov. 1.*	*Dec. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances........	4½–10	1¾–3	1½–2	2¼– 3	4 –5	6 –9
Call loans, banks and trust companies..........	2½–	2 –	2 –	2½–	2½–	6 –
Brokers' loans on collateral, 30 to 60 days..........	4 –	4 –	5 –5½	5½–	5 –	6 –
Brokers' loans on collateral, 90 days to 4 months..........	4¾–5	4½–5	5½–	6 –	5 –	5½–6
Brokers' loans on collateral, 5 to 7 months..........	5 – ½	5¼– ½	5½–6	6 –	5 –	5½–
Commercial paper, endorsed bills receivable, 60 to 90 days..........	5 –	5¾–	6 –	6 –	5½–6	6 –
Commercial paper prime single names, 4 to 6 months..........	5 – ½	5¾–6	6 –6½	6 – 6½	5½–6	6 –6½
Commercial paper, good single names, 4 to 6 months..........	6 –	6 – ½	6½–7	6½– 7	6 –6½	6½–7

NEW YORK CITY BANKS.—The reserves of the clearing-house banks steadily declined throughout the month, and most of the time have been near a deficit. The banks lost $12,000,000 specie during the month and $4,000,000 legal tenders, but recovered $1,500,000 of the latter loss in the last week. The total reserves are $15,000,000 less than at the beginning of the month, while the surplus reserve, after falling below $4,000,000 on November 21, is now but slightly in excess of $6,000,000 as compared with nearly $16,000,000 a year ago. The deposits fell off $44,000,000 in the month and are $42,000,000 less than they were a year ago. Loans were reduced $31,000,000 in the month but they are $1,000,000 more than they were at this time last year. Loans now exceed deposits $39,000,000. A year ago deposits showed an excess of $4,000,000.

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Oct. 31...	$911,508,500	$164,683,800	$66,994,500	$885,616,600	$10,274,150	$45,893,900	$1,113,918,497
Nov. 7...	900,095,500	159,435,900	62,969,500	868,044,700	5,394,225	45,877,200	1,071,300,164
" 14...	889,855,000	156,441,800	63,050,400	853,415,100	6,138,425	45,983,000	1,202,441,364
" 21...	887,234,300	152,953,900	62,790,800	847,333,400	3,911,850	46,023,100	1,181,603,034
" 28...	880,839,700	152,241,200	64,272,000	841,552,000	6,125,200	46,036,500	1,016,401,163

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	*1901.*		*1902.*		*1903.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$854,189,200	$11,525,900	$910,860,800	$7,515,575	$873,115,000	$10,193,850
February......	969,917,500	24,838,825	975,997,000	26,623,350	931,778,900	27,880,775
March.........	1,012,514,000	14,801,100	1,017,488,800	9,975,925	956,206,400	5,951,900
April.........	1,004,283,200	7,870,500	965,353,300	6,965,575	894,260,000	6,280,900
May...........	970,790,500	16,759,775	968,189,600	7,484,000	905,760,200	11,181,850
June..........	952,398,200	21,253,050	948,326,400	11,929,000	913,081,800	9,645,150
July..........	971,382,000	8,484,200	955,829,400	12,978,350	903,719,800	12,923,850
August........	955,912,200	22,165,350	957,145,500	13,738,125	908,864,500	24,060,075
September....	968,121,900	11,919,925	935,998,500	9,742,775	920,123,900	20,677,925
October.......	936,452,300	16,293,025	876,519,100	3,236,625	897,214,400	13,987,500
November....	958,062,400	10,482,800	893,791,200	21,339,100	885,616,600	10,274,150
December.....	940,668,500	13,414,575	883,836,800	15,786,300	841,552,000	6,125,200

Deposits reached the highest amount, $1,019,474,200 on Feb. 21, 1901, loans, $950,208,700 on February 21, 1903, and the surplus reserve $111,623,000 on Feb. 3, 1894.

NON-MEMBER BANKS—NEW YORK CLEARING-HOUSE.

DATES.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
Oct. 31....	$78,648,000	$76,153,500	$3,525,000	$4,633,700	$9,494,500	$3,385,300	* $499,175
Nov. 7....	79,035,100	86,809,400	3,506,900	4,478,400	9,774,500	3,104,800	* 737,750
" 14....	79,255,500	87,322,100	3,595,900	4,848,300	10,125,700	2,668,000	* 594,625
" 21....	79,013,800	85,303,400	3,505,600	4,685,300	9,059,600	2,752,400	* 1,822,950
" 28....	78,900,400	85,440,700	3,632,900	4,841,800	8,670,800	2,578,400	* 1,636,275

* Deficit.

BOSTON BANKS.

DATES.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
Oct. 31.......	$188,492,000	$209,776,000	$17,199,000	$5,691,000	$6,445,000	$118,040,100
Nov. 7.......	188,414,000	213,383,000	16,257,000	5,567,000	6,428,000	154,507,000
" 14.......	185,700,000	208,591,000	15,241,000	5,378,000	6,457,000	140,271,000
" 21.......	181,066,000	202,006,000	14,861,000	5,606,000	6,589,000	181,263,400
" 28.......	181,084,000	195,817,000	14,264,000	5,598,000	6,571,000	....

PHILADELPHIA BANKS.

DATES.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
Oct. 31.................	$182,951,000	$208,396,000	$54,353,000	$11,033,000	$103,531,800
Nov. 7.................	184,084,000	207,205,000	52,571,000	10,998,000	107,807,400
" 14.................	184,680,000	204,570,000	48,598,000	10,992,000	110,657,000
" 21.................	183,200,000	205,465,000	50,735,000	11,053,000	111,958,800
" 28.................	182,955,000	204,428,000	50,540,000	11,047,000	103,616,800

Money Rates Abroad.—There was no change in the posted rates of discount of any of the European banks last month although during the early part of the month it was generally expected that the Bank of England would advance its rate. Discounts of 60 to 90 day bills in London at the close of the month were 4 @ 4½ per cent. against 3⅞ @ 4 per cent. a month ago. The open market rate at Paris was 2⅞ per cent., the same as a month ago, and at Berlin and Frankfort 3¾ per cent. against 3½ @ 3⅝ per cent. a month ago.

Bank of England Statement and London Markets.

	Aug. 12, 1903.	*Sept. 9, 1903.*	*Oct. 14, 1903.*	*Nov. 14, 1903.*
Circulation (exc. b'k post bills)	£29,594,115	£29,095,465	£28,960,640	£28,552,415
Public deposits	6,555,514	7,231,981	6,388,430	6,226,866
Other deposits	41,179,961	38,770,079	43,139,126	38,923,056
Government securities	16,543,841	17,060,841	19,975,056	16,486,556
Other securities	25,508,319	23,714,428	25,501,353	24,423,615
Reserve of notes and coin	23,253,399	23,641,189	21,859,178	22,061,952
Coin and bullion	35,272,514	34,286,654	32,369,818	32,164,367
Reserve to liabilities	49⅝%	51¼%	44%	48¾%
Bank rate of discount	3%	4%	4%	4%
Price of Consols (2¾ per cents.)	90 13/16	89⅝	88 5/16	97⅝
Price of silver per ounce	25 5/16d.	26⅝d.	28 1/16d.	26¾d.

Foreign Exchange.—The foreign exchange market was weak during the entire month with only an occasional exception. The supply of commercial bills against cotton and grain has been very large, and it is understood that there has been a large buying of these bills for the creation of credits in anticipation of the early payment of $40,000,000 for the Panama Canal, which is likely to be made an exchange transaction.

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling.		*Cable transfers.*	*Prime commercial, Long.*	*Documentary Sterling, 60 days.*
	60 days.	*Sight.*			
Oct. 31	4.8160 @ 4.8175	4.8495 @ 4.8550	4.8550 @ 4.8560	4.81⅜ @ 4.81½	4.80⅝ @ 4.81⅞
Nov. 7	4.8065 @ 4.8085	4.8420 @ 4.8435	4.8475 @ 4.8485	4.80⅜ @ 4.80½	4.79½ @ 4.80⅝
" 14	4.7960 @ 4.7975	4.8325 @ 4.8335	4.8375 @ 4.8390	4.79¼ @ 4.79⅜	4.78½ @ 4.79¾
" 21	4.8040 @ 4.8060	4.8415 @ 4.8430	4.8460 @ 4.8475	4.80¼ @ 4.80⅜	4.79¼ @ 4.80¾
" 28	4.8000 @ 4.8015	4.8350 @ 4.8360	4.8400 @ 4.8410	4.79⅝ @ 4.79¾	4.79 @ 4.80

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

	Aug. 1.	*Sept. 1.*	*Oct. 1.*	*Nov. 1.*	*Dec. 1.*
Sterling Bankers—60 days	4.83⅛— ⅝	4.83¼— ½	4.82¼— ⅜	4.81 — ¾	4.79¾—80
" " Sight	4.85¾— ⅞	4.86 — ¼	4.86 — ⅛	4.84⅜— ⅝	4.83⅛—
" " Cables	4.86¼— ⅜	4.86⅜— ⅝	4.86⅝— ¾	4.85⅛— ⅜	4.84 —
" Commercial long	4.83⅛— ¼	4.82⅛— 3	4.81⅞—2	4.80⅝— ⅞	4.79 — ½
" Docu'tary for paym't.	4.82½— 3⅝	4.82¼— 3½	4.81¼— 2½	4.80¾— 1¾	4.79 —80¼
Paris—Cable transfers	5.16¼—	5.16⅞— ¼	5.17½—	5.18⅛—17½	5.20⅝— 1/16
" Bankers' 60 days	5.19⅜—	5.19⅜—18¾	5.20⅝— 1/16	5.21¼—	5.23⅛—
" Bankers' sight	5.16⅞—	5.16⅞—	5.18⅛—	5.18¾—18⅛	5.21¼—20⅝
Swiss—Bankers' sight	5.16⅞—	5.16⅞—	5.18⅛—	5.19⅜—	5.21¼—
Berlin—Bankers' 60 days	94 13/16—	94⅞— 15/16	94 13/16— 13/16	94 5/16— ⅜	93 15/16—94
" Bankers' sight	95 3/16— ⅜	95 7/16—	95 5/16—	94⅞— 15/16	94½— 9/16
Belgium—Bankers' sight	5.17½—	5.18⅛—17½	5.19⅜—	5.19⅜—18¾	5.21⅞— ¼
Amsterdam—Bankers' sight	40¼—	40¼— 5/16	40¼—	40¼—	40 1/16— ⅛
Kronors—Bankers' sight	26.82—26.84	26.83—26.86	26.79—26.82	26.71—26.73	26.59 —26.62
Italian lire—sight	5.16⅞— ¼	5.16⅞—15⅝	5.17½—16⅞	5.17½—16⅞	5.20⅝—19⅝

Silver.—The London market for silver was weak, the price declining from 27⅝ to 26¼, or 1⅜d. per ounce, the lowest price being recorded on the last day of the month.

Monthly Range of Silver in London—1901, 1902, 1903.

Month.	1901.		1902.		1903.		Month.	1901.		1902.		1903.	
	High	Low.	High	Low.	High	Low.		High	Low.	High	Low.	High	Low.
January..	29 9/16	27 7/8	26 1/16	25 5/8	22 5/8	21 11/16	July......	28 3/16	27 3/4	24 9/16	24 3/16	25 5/8	24 1/4
February	28 7/16	27 7/8	25 5/8	25 5/16	22 5/16	21 7/8	August ..	28 7/16	27 15/16	24 7/16	24 1/8	26 3/4	25 5/16
March....	28 5/16	27 5/16	25 7/16	24 13/16	22 13/16	22 1/8	Septemb'r	28 7/16	29 1/4	24 1/8	23 9/16	26 7/16	26 3/16
April.....	27 13/16	26 13/16	24 7/8	23 5/16	25 5/16	23 5/8	October..	30 5/16	29 1/8	23 13/16	23 1/4	28 1/8	27 7/16
May......	27 5/8	27 5/16	24 1/8	23 5/16	25 1/4	24 5/16	Novemb'r	29 13/16	29 7/16	23 1/4	21 3/4	27 5/8	26 1/4
June.....	27 5/8	27 1/4	24 7/16	23 15/16	24 9/16	24 1/8	Decemb'r	29 15/16	29 1/8	22 1/8	21 13/16	....	....

Foreign and Domestic Coin and Bullion—Quotations in New York.

	Bid.	Asked.		Bid.	Asked
Sovereigns & Bk. of Eng. notes.	$4.85	$4.88	Mexican 20 pesos...............	$19.52	$19.60
Twenty francs..................	3.85	3.88	Ten guilders.....................	3.95	4.00
Twenty marks.....................	4.74	4.77	Mexican dollars.................	.43	.46
Twenty-five pesetas............	4.78	4.81	Peruvian soles...................	.42	.45
Spanish doubloons...............	15.55	15.65	Chilian pesos.....................	.42	.45
Mexican doubloons...............	15.50	15.65			

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 26¼d. per ounce. New York market for large commercial silver bars, 56¼ @ 58c. Fine silver (Government assay), 56¾ @ 58½c. The official price was 56½c.

Gold and Silver Coinage.—The coinage of gold in November amounted to $8,794,600, of silver to $1,401,000, of which $163,000 was in standard dollars, and of minor coin to $229.520, a total of $10,425,120. There were 14,981,823 silver pieces coined for the Philippine Islands and 1,400,000 pieces for Venezuela.

Coinage of the United States.

	1901.		1902.		1903.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
January......................	$12,657,200	$2,713,000	$7,660,000	$2,908,637	$7,635,178	$1,707,000
February......................	9,230,300	2,242,166	6,643,850	2,489,000	7,488,510	1,521,000
March..........................	6,182,152	3,120,580	1,558	2,965,577	6,879,920	1,595,987
April............................	18,958,000	2,633,000	3,480,315	3,388,278	137,400	1,809,000
May..............................	9,325,000	3,266,000	426,000	1,873,000	69,000	1,584,000
June.............................	5,948,030	2,836,185	500,345	2,464,353	610	3,840,222
July.............................	4,225,000	1,312,000	2,120,000	2,254,000	....	337,327
August..........................	6,780,000	3,141,000	8,040,000	2,236,000	450 000	452,000
September....................	4,100,178	3,899,524	3,560,860	2,831,165	445,692	1,807,469
October........................	5,750,000	2,791,489	1,890,000	2,287,000	1,540,000	2,324,000
November.....................	6,270,000	917,000	2,675,000	2,399,000	8,794,600	1,401,000
December......................	12,309,338	1,966,514	6,277,925	1,932,216	....	....
Year..................	$101,735,187	$30,838,461	$47,109,852	$29,928,167	$33,640,292	$18,379,005

European Banks.—The Bank of England lost $7,500,000 gold last month, France $4,000,000 and Germany $5,000,000, while Russia gained $15,000,000 and

Gold and Silver in the European Banks.

	Oct. 1, 1903.		November 1, 1903.		Dec. 1, 1903.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England............	£33,809,390	....	£33,413,770	....	£31,893,236	....
France.............	98,912,763	£44,641,080	96,714,727	£44,180,681	95,901,259	£44,363,084
Germany...........	31,747,000	11,154,000	35,469,000	12,862,000	34,495,000	12,120,000
Russia..............	81,622,000	7,684,000	77,477,000	6,799,000	80,821,000	6,616,000
Austria-Hungary..	46,036,000	12,578,000	46,186,000	12,225,000	46,536,000	12,213,000
Spain...............	14,656,000	19,900,000	14,520,000	19,244,000	14,516,000	18,931,000
Italy...............	19,576,000	2,383,200	20,485,000	2,403,300	21,090,000	3,305,100
Netherlands.......	3,952,000	6,448,200	4,061,400	6,337,900	4,113,800	6,363,900
Nat. Belgium......	2,910,667	1,453,333	3,224,667	1,612,333	3,238,667	1,619,333
Totals..........	£333,221,820	£106,423,813	£331,551,564	£106,264,214	£332,604,962	£105,531,417

Austria-Hungary about $2,000,000. England has $5,000,000 less gold than it had a year ago, Germany having gained about that amount. France has lost nearly $50,000,000.

NATIONAL BANK CIRCULATION.—Nearly $2,000,000 of bonds were deposited in November to secure National bank circulation and the notes based on Government bonds increased nearly $2,500,000 while the circulation based on lawful money was reduced about $900,000. The total amount outstanding increased $1,500,000. Of the $384,000,000 bonds deposited to secure circulation $378,000,000 are the new two per cent. issue, while $105,000,000 additional are deposited to secure public deposits.

NATIONAL BANK CIRCULATION.

	Aug. 31, 1903.	*Sept. 30, 1903.*	*Oct. 31, 1903.*	*Nov. 30, 1903.*
Total amount outstanding	$418,587,975	$420,426,535	$419,610,683	$421,106,979
Circulation based on U. S. bonds	380,076,322	379,515,824	380,650,821	383,018,484
Circulation secured by lawful money	38,511,653	40,910,711	38,959,862	38,088,495
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	3,183,250	3,157,700	2,797,200	2,487,200
Five per cents. of 1894	556,150	858,650	718,650	718,650
Four per cents. of 1895	1,490,100	1,585,100	1,410,100	1,245,100
Three per cents. of 1898	2,153,580	2,229,(80	1,797,580	1,707,580
Two per cents. of 1900	374,103,350	373,654,300	376,003,300	378,467,400
Total	$381,486,430	$381,484,830	$382,726,830	$384,625,930

The National banks have also on deposit the following bonds to secure public deposits; 4 per cents. of 1907, $4,764,200; 5 per cents. of 1894, $741,300; 4 per cents. of 1895, $9,711,550; 3 per cents. of 1898, $7,036,820; 2 per cents. of 1900, $105,511,900; District of Columbia 3.65's, 1924, $925,000; State and city bonds, $23,898,170; Philippine Island certificates, $6,000,000, a total of $158,588,940.

UNITED STATES PUBLIC DEBT.—The changes in the public debt in November were mainly a decrease of $9,000,000 in cash in the Treasury and an increase of

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1903.	*Oct. 1, 1903.*	*Nov. 1, 1903.*	*Dec. 1, 1903.*
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent	$445,940,750	$528,723,050	$535,020,750	$538,012,650
Funded loan of 1907, 4 "	233,178,650	167,026,800	163,507,000	161,135,800
Refunding certificates, 4 per cent	31,230	30,530	30,100	30,030
Loan of 1904, 5 per cent	19,385,050	17,383,100	10,120,350	7,754,500
" 1925, 4 "	118,489,900	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent	97,515,660	80,886,060	78,108,960	77,488,360
Total interest-bearing debt	$914,541,240	$912,539,440	$905,277,060	$902,911,240
Debt on which interest has ceased	1,255,710	1,197,050	1,196,930	1,196,720
Debt bearing no interest:				
Legal tender and old demand notes	346,734,863	346,734,863	346,734,863	346,734,863
National bank note redemption acct.	42,169,652	39,827,135	38,959,809	37,292,775
Fractional currency	6,872,594	6,871,240	6,871,240	6,871,240
Total non-interest bearing debt	$395,774,109	$393,433,239	$392,565,913	$390,898,879
Total interest and non-interest debt.	1,311,574,059	1,307,169,729	1,299,039,903	1,295,006,839
Certificates and notes offset by cash in the Treasury:				
Gold certificates	383,564,069	420,487,869	433,198,869	441,739,869
Silver "	468,957,000	464,715,000	469,771,000	473,041,000
Treasury notes of 1890	24,053,000	17,498,000	16,874,000	16,428,000
Total certificates and notes	$876,574,069	$902,700,869	$919,843,869	$931,208,869
Aggregate debt	2,188,148,128	2,209,870,598	2,218,883,772	2,226,215,708
Cash in the Treasury:				
Total cash assets	1,331,081,200	1,387,221,829	1,391,066,907	1,398,957,932
Demand liabilities	966,671,820	997,804,645	1,012,429,504	1,029,720,503
Balance	$364,409,380	$389,417,184	$378,637,402	$369,237,429
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	214,409,380	239,417,184	228,637,402	219,237,429
Total	$364,409,380	$389,417,184	$378,637,402	$369,237,429
Total debt, less cash in the Treasury.	947,164,679	917,752,545	920,402,501	925,769,410

$5,000,000 in the net debt. In two months the debt has increased $8,000,000. The interest-bearing debt was reduced $2,300,000 by the retirement of that amount of the five per cent. bonds of 1904. Of these bonds only $7,754,500 are now outstanding. They are redeemable after February 1 next, but the Secretary of the Treasury has offered to redeem them upon presentation. Only about $3,000,000 of other bonds were exchanged for the two per cent. bonds of which there are now outstanding $538,000,000, all but about $50,000,000 of which are owned by the National banks.

GOVERNMENT REVENUES AND DISBURSEMENTS.—There was another deficit in the Government's income account last month but not as large as the October deficit. The receipts were about $44,700,000 and the expenditures $47,400,000, making a deficit of $2,700,000. This brings the expenditures for the five months ended November 30 in excess of the receipts by $2,000,000. During the same time in 1902 the receipts exceeded the expenditures by $14,000,000. In the five months the receipts were $6,000,000 less than in 1902 while the disbursements increased $10,000,000.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.			EXPENDITURES.		
Source.	*November, 1903.*	*Since July 1, 1903.*	*Source.*	*November, 1903.*	*Since July 1, 1903.*
Customs	$19,220,347	$113,983,606	Civil and mis	$10,021,620	$58,331,474
Internal revenue	21,235,512	102,496,822	War	9,647,261	57,652,036
Miscellaneous	4,236,735	18,609,452	Navy	9,829,917	42,120,807
			Indians	1,180,892	4,832,738
			Pensions	14,672,922	62,501,220
Total	$44,692,594	$235,089,880	Interest	2,075,176	11,717,530
Excess of expend	2,735,194	2,065,925	Total	$47,427,788	$237,155,805

MONEY IN THE UNITED STATES TREASURY.—There was a decrease of $4,000,000 it the net amount of money in the Treasury in November, although the total amount was increased $2,000,000. The difference of $6,000,000 is accounted for by an increase in certificates outstanding.

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1903.	*Oct 1, 1903.*	*Nov. 1, 1903.*	*Dec. 1, 1903.*
Gold coin and bullion	$617,196,083	$654,811,717	$660,538,606	$671,082,644
Silver dollars	470,783,167	482,442,538	479,376,005	477,655,784
Silver bullion	23,057,667	14,982,959	13,616,046	12,711,491
Subsidiary silver	6,419,206	7,958,266	7,851,871	8,106,009
United States notes	2,910,158	10,302,247	5,719,673	2,387,365
National bank notes	16,251,253	15,520,837	10,872,165	8,141,361
Total	$1,136,617,534	$1,186,018,564	$1,177,974,366	$1,180,084,654
Certificates and Treasury notes, 1890, outstanding	833,909,877	869,955,083	880,789,513	886,953,291
Net cash in Treasury	$302,707,657	$316,063,481	$297,184,853	$293,131,363

UNITED STATES FOREIGN TRADE.—Cotton exports to the extent of $60,000,000 caused a large increase in the total exports of merchandise in October, which reached $160,000,000, the largest for any month since October, 1900, and larger than all other months before or since. The imports were nearly $82,000,000, so that the net exports exceeded $78,000,000. Compared with a year ago, the exports increased $16,000,000 while the imports decreased $5,500,000, making the net exports $11,500,000 larger than in October, 1902. In October, 1901, the balance was $64,000,000 and in 1900 $92,000,000. For the ten months of the calendar year the exports were $1,149,000,000, and the imports $840,000,000, leaving a balance of nearly $309,000,000, or

$11,000,000 more than in 1903. In the last two months of 1902 there was a balance of $93,000,000. To equal last year's record a balance of $82,000,000 in November and December this year will be required.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF OCTOBER.	MERCHANDISE.			Gold Balance.	Silver Balance.
	Exports.	Imports	Balance.		
1898	$118,619,563	$52,349,526	Exp., $66,270,037	Imp., $15,458,427	Exp., $1,959,383
1899	125,966,527	72,232,238	" 53,734,289	" 8,162,502	" 2,361,531
1900	163,389,680	70,631,034	" 92,758,646	" 10,289,413	" 3,071,550
1901	145,659,415	81,446,763	" 64,212,652	" 5,071,891	" 1,667,173
1902	144,327,428	87,424,070	" 56,903,358	" 9,657,617	" 1,583,830
1903	160,370,059	81,931,005	" 78,439,054	" 4,663,479	" 411,877
TEN MONTHS.					
1898	987,897,707	527,728,481	Exp., 460,169,226	Imp., 130,020,320	Exp., 20,293,659
1899	1,028,444,027	658,134,636	" 370,309,391	" 9,553,085	" 18,375,867
1900	1,195,353,918	695,098,467	" 500,255,451	Exp., 2,326,398	" 20,303,011
1901	1,191,978,682	727,924,332	" 464,054,350	Imp., 7,791,364	" 20,663,958
1902	1,087,492,912	789,573,713	" 297,919,199	" 3,567,790	" 18,460,525
1903	1,149,694,933	840,730,880	" 308,964,053	Exp., 5,232,700	" 8,719,043

MONEY IN CIRCULATION IN THE UNITED STATES.—The volume of money in circulation was increased again last month nearly $22,000,000 of which $7,000,000 was in gold coin and certificates, and nearly the same amount in silver while United States and bank notes increased about $4,000,000.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1903.	Oct. 1, 1903.	Nov. 1, 1903.	Dec. 1, 1903.
Gold coin	$629,680,632	$622,550,934	$621,753,297	$627,025,092
Silver dollars	78,310,334	75,959,483	78,916,739	80,799,960
Subsidiary silver	94,350,669	94,867,102	96,235,458	97,130,806
Gold certificates	346,418,819	394,097,659	401,646,299	404,070,929
Silver certificates	463,570,632	458,522,216	462,863,039	466,501,082
Treasury notes, Act July 14, 1890	23,920,426	17,335,208	16,780,175	16,381,280
United States notes	343,770,858	336,378,769	340,961,343	344,293,651
National bank notes	368,678,531	404,905,698	408,738,518	412,965,618
Total	$2,348,700,901	$2,404,617,069	$2,427,394,868	$2,449,168,418
Population of United States	79,799,000	80,831,000	80,946,000	81,061,000
Circulation per capita	$29.43	$29.75	$29.99	$30.21

SUPPLY OF MONEY IN THE UNITED STATES.—There was an addition of nearly $18,000,000 to the supply of money in the country during the past month. About $16,000,000 of the increase was in gold and $2,000,000 in National bank notes.

SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1903.	Oct. 1, 1903.	Nov. 1, 1903.	Dec. 1, 1903.
Gold coin and bullion	$1,246,876,715	$1,277,362,651	$1,282,291,903	$1,298,107,736
Silver dollars	549,093,501	558,402,021	558,292,744	558,455,744
Silver bullion	23,057,667	14,982,959	13,616,046	12,711,491
Subsidiary silver	100,769,875	102,825,368	104,087,329	105,236,815
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	384,929,784	420,426,535	419,610,683	421,106,979
Total	$2,651,408,558	$2,720,680,550	$2,724,579,721	$2,742,299,781

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of November, and the highest and lowest during the year 1903, by dates, and also, for comparison, the range of prices in 1902:

	Year 1902.		Highest and Lowest in 1903.		November, 1903.		
	High.	Low.	Highest.	Lowest.	High.	Low.	Closing.
Atchison, Topeka & Santa Fe.	95⅝	74¼	89⅞ Jan. 10	54 —Aug. 10	66½	62⅝	66¼
" preferred	106⅛	95½	103⅛—Jan. 10	84⅝—Aug. 10	90½	88⅛	90½
Baltimore & Ohio	118⅛	95⅝	104 —Jan. 9	71⅝—Sept. 28	76¾	72⅛	76¾
Baltimore & Ohio, pref.	99	92	96¾—Feb. 11	82¾—July 25	88	87	87½
Brooklyn Rapid Transit	72⅜	54¾	71⅛—Feb. 17	29½—Sept. 28	40	34⅛	39⅜
Canadian Pacific	145¼	112¼	138¾—Feb. 10	115⅝—Oct. 14	119⅝	116¾	117½
Canada Southern	97	71	78½—Jan. 5	57½—Sept. 24	66⅛	63⅛	66½
Central of New Jersey	198	165	190 —Jan. 19	153 —Oct. 17	158½	156	156
Ches. & Ohio vtg. ctfs.	57⅛	45⅝	53⅝—Feb. 10	27¼—Nov. 13	30⅞	27¼	30⅛
Chicago & Alton	45⅝	29⅛	37¼—Jan. 5	18⅛—Sept. 28	33	27⅛	32¾
" preferred	79	68	73⅛—Jan. 7	60 —Sept. 29	70⅛	64	70
Chicago, Great Western	35	22	29⅝—Jan. 9	13 —Aug. 6	15⅞	14¼	15¾
Chic., Milwaukee & St. Paul	198¾	160⅛	183¼—Jan. 7	133¼—Aug. 8	140⅛	134⅝	138¾
" preferred	200¾	186	194¼—Jan. 9	168 —Aug. 10	173½	172	172
Chicago & Northwestern	271	204⅛	224½—Jan. 14	153 —Sept. 28	166⅞	161½	166
" preferred	274½	230	250 —Jan. 7	190 —Aug. 8	208	202	206½
Chic., St. Paul, Minn. & Om.	170½	140	162 —Jan. 19	117 —July 14	120¼	120¼	120¼
" preferred	210	194⅞	194 —Jan. 5	190 —May 10	....	....	....
Chicago Terminal Transfer	24⅞	15	19⅞—Jan. 9	8 —Sept. 29	8⅝	8	8⅛
" preferred	44	29	36 —Jan. 8	15 —Sept. 24	19	16½	18
Clev., Cin., Chic. & St. Louis	108⅝	93	99⅜ Jan. 6	66 —Aug. 10	74	68½	73
Col. Fuel & Iron Co.	110½	73¾	82½—Jan. 6	24 —Nov. 30	32½	24	25
Colorado Southern	35¾	14⅛	31⅜—Jan. 7	10 —July 24	13½	11⅛	13
" 1st preferred	79½	59¼	72 —Jan. 9	44½—Aug. 8	56	50⅛	52½
" 2d preferred	53⅞	28	48 —Jan. 8	17 —Aug. 5	22⅞	19½	21½
Consolidated Gas Co.	230¾	205	222 —Jan. 7	164 —Aug. 10	179¼	173½	177¾
Delaware & Hud. Canal Co.	184½	153½	183½—Feb. 2	149 —Aug. 10	157	151	156
Delaware, Lack. & Western	297	231	276½—Jan. 8	230 —July 24	240	230⅛	238
Denver & Rio Grande	51¾	35⅛	43 —Feb. 9	18 —Oct. 12	20	18	20
" preferred	96¾	86½	90½—Feb. 9	62 —Nov. 13	68½	62	67
Erie	44⅝	28⅝	42⅝—Jan. 9	23 —Aug. 8	27½	25⅝	27
" 1st pref.	75½	60½	74 —Feb. 5	62½—Apr. 13	67½	65½	67
" 2d pref.	63¾	41½	64⅞—Feb. 5	44 —July 24	50⅛	47⅛	48¾
Evansville & Terre Haute	74⅜	50	72½—Jan. 8	39½—July 27	....	....	....
Express Adams	240	198	235 —Feb. 11	214 —Mar. 10	226	218½	218½
" American	265	210	235 —Feb. 5	171 —Aug. 10	191½	187	190
" United States	160	97	150¼—Feb. 4	95 —Aug. 8	104½	100	100
" Wells, Fargo	251	185	249½—Feb. 6	191 —July 14	203	200	200
Great Northern, preferred	203	181½	209 —Jan. 22	160 —Oct. 12	168	168	168
Hocking Valley	106	66	106½—Feb. 20	63 —Sept. 25	74¾	69½	74¾
" preferred	98⅜	81⅛	99¼—Mar. 2	77 —Oct. 19	84⅜	80	83½
Illinois Central	173½	137	151 —Jan. 10	125⅛—July 15	131	127	129¼
Iowa Central	51¾	37⅛	48 —Jan. 12	16 —July 27	21⅞	19¾	21¼
" preferred	90⅜	65	77⅜—Jan. 12	30½—Oct. 12	37	31½	37
Kansas City Southern	39	19	36¼—Jan. 12	16⅛—Oct. 8	18⅝	16½	19½
" preferred	63¾	44	61¼—Jan. 22	29 —Oct. 8	37	30	36
Kans. City Ft. S. & Mem. pref.	88	75	82¾—Feb. 26	62¼—Oct. 12	66	63¼	65
Lake Erie & Western	71½	40	53 —Jan. 8	23½—Nov. 12	27½	23½	27
" preferred	138	120	118 —Feb. 6	89 —Nov. 24	90	89	89
Long Island	91⅞	72½	83 —Jan. 7	50 —Nov. 11	50	50	50
Louisville & Nashville	159½	102⅛	130½—Jan. 8	95 —Sept. 28	105⅝	98¾	105¼
Manhattan consol	158	128	155½—Jan. 14	126¼—Sept. 28	140½	134¼	139½
Metropolitan Street	174	135	142⅞ Jan. 6	99⅞—Sept. 29	117⅞	108⅝	116⅞
Mexican Central	31⅛	20⅝	29 —Mar. 23	8⅛—Nov. 6	10⅜	8⅛	10¼
Minneapolis & St. Louis	115	105	110 —Jan. 9	41 —Oct. 12	61	44	60
" preferred	127¾	118½	118 —Feb. 27	83 —Nov. 16	90	83	89
Missouri, Kan. & Tex.	35¾	22½	30½—Jan. 5	15½—Oct. 19	17½	16	17
" preferred	69¾	51	63½—Feb. 10	33 —Oct. 12	37⅜	34	37½
Missouri Pacific	125½	96¾	115⅞—Feb. 10	85¾—Aug. 10	92½	87½	90⅝
N. Y. Cent. & Hudson River	168⅞	147	156 —Jan. 10	112⅝—July 15	119⅞	114⅝	117½
N. Y., Chicago & St. Louis	57⅝	40	45 —Jan. 7	19½—Sept. 28	25⅞	22½	25⅞
" 2d preferred	100	80	87 —Jan. 19	50 —Sept. 28	61	60	61
N. Y., Ontario & Western	37⅝	25¼	35¼—Feb. 5	19 —Sept. 28	20⅞	19¼	20⅝

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1902.		Highest and Lowest in 1903.		November, 1903.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Norfolk & Western	78½	55	76¼—Feb. 10	53¾—Nov. 12	57¾	53¾	56⅝
" preferred	98	90	93½—Feb. 2	85 —Aug. 10	86	86	86
North American Co	134	88	124½—Jan. 7	68 —Sept. 28	73¾	70	73¾
Pacific Mail	49⅝	37	42¾ Jan. 7	17 —Aug. 6	27½	20¼	27
Pennsylvania R. R	170	147	157⅝—Jan. 10	110¾—Nov. 12	121½	110¾	114¾
People's Gas & Coke of Chic.	109½	98¼	108⅜—Feb. 10	87¾—Sept. 28	95⅛	91¾	94⅜
Pullman Palace Car Co	250	215	235¾—Jan. 14	196 —July 15	216	213¼	213¼
Reading	78½	52¼	69¼—Jan. 2	37½—Nov. 16	46	37⅛	41
" 1st prefered	90¼	79⅞	89⅞—Feb. 5	73 —Sept. 28	77	75	75¼
" 2d preferred	80⅞	60	81 —Jan. 6	55¾—Nov. 17	62½	55¾	59
Rock Island	50⅛	32½	53⅝—Jan. 9	19½—Aug. 6	25½	22	24½
" preferred	85½	71	86 —Jan. 9	55¾—Sept. 28	60½	57⅛	59½
St. Louis & San Francisco	85½	53¾	90½—Feb. 24	56 —July 25	....	....	....
" 1st preferred	90	77	88 —Feb. 20	68 —Aug. 13	....	....	....
" 2d preferred	80⅝	65½	78 —Feb. 24	42½—Sept. 29	47	43¼	44
St. Louis & Southwestern	39	24½	30 —Jan. 7	12 —Aug. 6	14	12½	14
" preferred	80	55¼	66 —Jan. 7	24 —Aug. 10	32⅝	29½	32¼
Southern Pacific Co	81¼	56	68¼—Mar. 19	38⅝—Sept. 28	46⅛	40⅜	46¼
Southern Railway	41⅜	28	36⅞—Jan. 9	16½—Oct. 12	20⅛	16⅝	20
" preferred	98½	89¾	96 —Feb. 9	69½ - Oct. 12	77⅜	71⅝	77
Tennessee Coal & Iron Co	74⅝	49½	68¾—Mar. 21	25⅞—Nov. 10	29¾	25⅞	28½
Texas & Pacific	54¾	37	43⅝—Feb. 10	20¼—Aug. 10	24¾	22	24⅜
Toledo, St. Louis & Western	33¼	18½	31⅞—Jan. 9	15 —Sept. 21	22	15½	20
" preferred	49¾	35	48 —Jan. 8	24 —Sept. 29	33½	24½	32½
Union Pacific	113¼	93½	104⅝—Jan. 9	65½—Aug. 8	74⅝	69½	74¼
" preferred	95	86⅝	95¼—Feb. 11	83½—Aug. 10	86	85	86
Wabash R. R	38¾	21¾	32¾—Feb. 27	16⅝—Oct. 12	20	18½	19¾
" preferred	54½	37	55¼—Feb. 24	27½—Sept. 28	35½	31½	34¾
Western Union	97½	84¾	93 —Jan. 14	80¼—Sept. 28	85½	82⅝	85½
Wheeling & Lake Erie	30¼	17	27½—Feb. 9	12 —July 24	15¾	14	15¾
" second preferred	42⅜	28	38½—Feb. 10	20 —Sept. 26	24⅞	22	24¼
Wisconsin Central	31	19½	29¼—Feb. 9	14½ Oct. 14	17¾	14¾	16¾
" preferred	57⅜	39½	55½—Feb. 6	33 —Nov. 13	38¼	33	37¼
"Industrial"							
Amalgamated Copper	79	53	75⅝ -Mar. 12	33⅝—Oct. 15	39⅝	35⅝	38½
American Car & Foundry	37⅝	28¼	41¾—Jan. 19	17¼—Nov. 25	21	17¼	18⅞
" pref	93⅜	85¼	93 —Jan. 6	60½—Nov. 25	68¾	60½	64½
American Co. Oil Co	57¾	30½	46¼—Feb. 20	25¼—Aug. 6	31⅞	28	29¼
American Ice	31⅞	9½	11⅞—Jan. 31	4 —Oct. 8	8¾	6½	7⅞
American Locomotive	36⅞	23½	31⅝—Feb. 17	10½—Oct. 15	14½	11½	14½
" preferred	100¼	89	95¾—Feb. 17	67½—Oct. 15	79	68½	75
Am. Smelting & Refining Co.	49⅝	36⅞	52⅞—Feb. 17	36¾—Oct. 16	44½	41½	44
" preferred	100½	87½	99½—Feb. 16	80¼—Oct. 15	88½	85	87¼
American Sugar Ref. Co	135½	113	134⅜—Jan. 8	107⅛—Oct. 12	122⅞	114¼	121⅞
Anaconda Copper Mining	146	80	125½—Feb. 25	58 —Oct. 23	70	62	70
Continental Tobacco Co. pref.	126½	114	119 —Jan. 2	94¾—Aug. 6	102½	100½	102
Corn Products	38⅜	27	35 —Mar. 23	15½—Nov. 24	25	15½	18¼
" preferred	90	79⅝	85½—Jan. 19	60 —Nov. 25	76	60	64⅞
Distillers securities	33	27	34¾—Jan. 6	20 —July 24	23	21	21⅞
General Electric Co	334	170	204 —Feb. 16	136 – Sept. 28	157½	146	157
International Paper Co	23⅝	16½	19⅞—Jan. 5	9 —July 28	11½	10	11
" preferred	77½	70	74¼—Feb. 6	57½—Nov. 25	62	57½	61⅜
International Power	199	49	73 —Jan. 19	23 —Nov. 19	27	23	25
National Biscuit	53¼	40	47⅝—Feb. 17	32 —Oct. 15	37	34	35½
National Lead Co	32	15⅜	29½—Feb. 5	10½—Nov. 16	15	10½	14¾
Pressed Steel Car Co	63½	39	65¾—Jan. 26	22½—Nov. 25	29	22½	25
" preferred	96½	82¾	95 —Feb. 20	62½—Nov. 25	70	62½	64
Republic Iron & Steel Co	24¾	15⅝	22⅝—Feb. 18	5⅝—Nov. 27	7⅞	5⅝	6
" preferred	83⅜	68	80⅜—Feb. 18	36¾—Nov. 27	52	36¾	40½
Rubber Goods Mfg. Co	25⅜	17¼	30 —Feb. 16	12 —July 25	15½	13	15½
" preferred	74	63	84½—Feb. 17	60 —July 25	71¾	67	71¾
U. S. Leather Co	15¼	10½	15¼—Feb. 11	6 —Sept. 28	8	6¾	7
" preferred	91¼	79⅞	96¾—May 12	71½—Oct. 15	78½	73¼	75
U. S. Realty & Con	32	20	28½—Jan. 2	4⅛—Nov. 12	6½	4⅛	6
U. S. Rubber Co	19⅝	14	19½—Feb. 10	7 —July 27	9½	8	9
" preferred	64	49½	58 —Feb. 10	30¼—July 27	38	35½	35⅝
U. S. Steel	46¾	29¾	39⅞—Feb. 5	10 —Nov. 10	13½	10	10⅞
" pref	97¾	79	89¾—Jan. 7	49¾—Nov. 10	59⅝	49¾	52⅛

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

LAST SALE, PRICE AND DATE AND HIGHEST AND LOWEST PRICES AND TOTAL SALES FOR THE MONTH.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	*Principal Due.*	*Amount.*	*Int's Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low*	NOVEMBER SALES. *Total.*
Ann Arbor 1st g 4's	1995	7,000,000	Q J	92	Nov. 30,'03	92¾	92	22,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	138,155,000	A & O	100⅛	Nov. 30,'03	100⅛	99⅝	643,500
" registered		....	A & O	99	Oct. 21,'03	....	....	....
" adjustment, g. 4's	1995	25,616,000	NOV	87	Nov. 30,'03	87⅛	86	94,500
" registered		....	NOV	75	July 25,'03	....	....	....
" stamped	1995	26,112,000	M & N	87	Nov. 30,'03	87	86	184,000
" serial debenture 4's—								
" series B	1904	2,500,000	F & A	....		....	....	....
" registered		....	F & A	....		....	....	....
" series C	1905	2,500,000	F & A	....		....	....	....
" registered		....	F & A	....		....	....	....
" series D	1906	2,500,000	F & A	....		....	....	....
" registered		....	F & A	....		....	....	....
" series E	1907	2,500,000	F & A	....		....	....	....
" registered		....	F & A	....		....	....	....
" series F	1908	2,500,000	F & A	....		....	....	....
" registered		....	F & A	....		....	....	....
" series G	1909	2,500,000	F & A	....		....	....	....
" registered		....	F & A	....		....	....	....
" series H	1910	2,500,000	F & A	....		....	....	....
" registered		....	F & A	....		....	....	....
" series I	1911	2,500,000	F & A	....		....	....	....
" registered		....	F & A	....		....	....	....
" series J	1912	2,500,000	F & A	....		....	....	....
" registered		....	F & A	....		....	....	....
" series K	1913	2,500,000	F & A	....		....	....	....
" registered		....	F & A	....		....	....	....
" series L	1914	2,500,000	F & A	92⅞	Nov. 10,'02	....	....	....
" registered		....	F & A	....		....	....	....
" East.Okla.div.1st g.4's	1928	5,645,000	M & S	94½	Nov. 19,'03	94½	94½	10,000
" " registered		....	M & S	....		....	....	....
" Chic. & St. L. 1st 6's	1915	1,500,000	M & S	....		....	....	....
Atl. Knox. & Nor. Ry. 1st g. 5s	1946	1,000,000	J & D	114½	Oct. 8, '02	....	....	....
Atlan.Coast Line R.R.Co.1st g.4's	1952	35,344,000	M & S	93¼	Nov. 30,'03	93½	91¼	732,000
" registered			M & S	....		....	....	....
Charleston & Savannah 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
Savanh Florida & W'n 1st g. 6's	1934	4,056,000	A & O	125⅛	Nov. 30,'03	125⅛	125⅛	5,000
" 1st g. 5's	1934	2,444,000	A & O	112	Mar. 17,'99	....	....	....
" St.John's div.1st g.4's	1934	1,350,000	J & J	95¼	Nov. 30,'01	....	....	....
Alabama Midland 1st gtd g. 5's	1928	2,800,000	M & N	111	Apr. 20,'03	....	....	....
Brunswick & W'n 1st gtd. g. 4's	1938	3,000,000	J & J	87	Aug. 22,'01	....	....	....
Sil.Sps Oc.& G.RR.&ld g.gtd g.4s	1918	1,067,000	J & J	91⅛	Oct. 30,'03	....	....	....
Balt. & Ohio prior lien g. 3½s	1925	71,798,000	J & J	94⅝	Nov. 30,'03	96	94½	273,000
" registered			J & J	94½	Jan. 12,'03	....	....	....
" g. 4s	1948	69,963,000	A & O	100⅝	Nov. 30,'03	101	100	523,500
" g. 4s. registered			A & O	99¾	Oct. 7,'03	....	....	....
" ten year c. deb. g. 4's	1911	592,000	M & S	94	Nov. 23,'03	99¼	94	13,000
Pitt Jun. & M. div. 1st g. 3½s.	1925	11,293,000	M & N	87½	Nov. 27,'03	87½	87½	8,000
" registered			QFeb	....		....	....	....
Pitt L. E. & West Va. System refunding g 4s	1941	20,000,000	M & N	94½	Nov. 30,'03	94½	93¾	111,000
" Southw'n div. 1st g.3½s.	1925	43,590,000	J & J	88¾	Nov. 30,'03	89	88¼	818,000
" registered			Q J	90¼	July 16,'01	....	....	....
Monongahela River 1st g. g., 5's	1919	700,000	F & A	114¼	June 27,'02	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s,	1908	1,009,000	M & S	109¾	Oct. 28,'03	....	....	....
Ptsbg Clev. & Toledo, 1st g.6's	1922	515,000	A & O	107½	Oct. 26,'93	....	....	....
Pittsburg & Western, 1st g.4's	1917	688,000	J & J	98	Aug. 1,'03	....	....	....
" J. P. Morgan & Co. cer.		1,921,000	......	100¼	Feb. 13,'03	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,427,000	M & S	113¼	Nov. 23,'03	114	113⅛	8,000
Alleghany & Wn. 1st g. gtd 4's	1998	2,000,000	A & O	....		....	....	....
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	124¼	June 22,'03	....	....	....
" cons. 1st 6's,	1922	3,920,000	J & D	122⅛	Nov. 6,'03	122⅛	122⅛	2,000
Buff. & Susq. 1st refundg g. 4's	1951	3,309,000	J & J	106	June 16,'02	....	....	....
" registered			J & J	....		....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME.	*Principal Due*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
Burlington, Cedar R. & N. 1st 5's,	1906	6,500,000	J & D	103¾	Nov.28,'03	104	103⅝	5,500
• con. 1st & col. tst 5's.	1934	11,000,000	A & O	120¼	May 8,'03	....	....	....
• registered			A & O	120½	Mar. 16,'03	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's.	1921	1,905,000	A & O	118	Jan. 2[illegible],'02	....	....	....
Minneap's & St. Louis 1st 7's, g,	1927	150,000	J & D	40	Aug.21,'95	....	....	....
Canada Southern 1st int. gtd 5's,	1908	14,000,000	J & J	104⅝	Nov.30,'03	104⅛	104	72,000
• 2d mortg. 5's,	1913	6,000,000	M & S	106	Nov.30,'03	106¼	105⅞	21,000
• registered			M & S	107	Aug.14,'03	....	....	....
Central Branch U. Pac. 1st g. 4's.	1948	2,500,000	J & D	92	June 4,'03	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's,	1987	4,880,000	M & N	103½	Nov.14,'03	104½	103½	34,000
Central R'y of Georgia, 1st g. 5's.	1945	7,000,000	F & A	122½	Jan. 5,'03	....	....	....
• registered $1,000 & $5,000			F & A	....		....	....	....
• con. g. 5's	1945	16,700,600	M & N	104	Nov.30,'03	104	103¼	71,000
• con. g. 5's, reg. $1,000 & $5,000			M & N	105⅛	Sept.18,'01	....	....	....
• 1st. pref. inc. g. 5's,	1945	4,000,000	OCT 1	64½	Nov.27,'03	65	61	28,000
• 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	25¼	Nov.18,'03	25¼	25	15,000
• 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	16¼	Nov.19,'03	16½	16	16,000
• Chat. div. pur. my. g. 4's.	1951	1,840,000	J & D	92	Aug.21,'02	....	....	....
• Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	108¼	Sept. 3,'02	....	....	....
• Mid. Ga. & Atl. div. g 5s.	1947	413,000	J & J	102	June29,'99	....	....	....
• Mobile div. 1st g. 5's	1946	1,000,000	J & J	103	July 2,'03	....	....	....
Central of New Jersey, gen. g. 5's	1987	45,091,000	J & J	129½	Nov.23,'03	130	129½	32,000
• registered			Q J	128½	Nov.11,'03	129	128	27,000
Am. Dock & Improvm't Co. 5's,	1921	4,987,000	J & J	112	Nov.28,'03	112	112	1,000
Lehigh & H. R. gen. gtd g. 5's.	1920	1,062,000	J & J	....		....	....	....
Lehigh & W.-B. Coal con. 5's.	1912	2,691,000	Q M	103	Nov.27,'03	103	103	1,000
• con. extended gtd. 4½'s.	1910	12,175,000	Q M	100⅞	Nov.27,'03	101⅞	100⅞	23,000
N.Y. & Long Branch gen. g. 4's.	1941	1,500,000	M & S	....		....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	110½	July 22,'03	....	....	....
• Mortgage gold 6's	1911	2,000,000	A & O	110½	Aug.14,'03	....	....	....
• 1st con. g. 5's	1939	25,858,000	M & N	114⅛	Nov.30,'03	114½	114	123,000
• registered			M & N	112⅞	Oct. 28,'03	....	....	....
• Gen. m. g. 4½'s	1992	36,073,000	M & S	101¼	Nov.30,'03	101½	100½	400,500
• registered			M & S	103	Apr. 18,'01	....	....	....
• Craig Val. 1st g. 5's	1940	650,000	J & J	112	May 14,'03	....	....	....
• (R. & A. d.) 1st c. g. 4's,	1989	6,000,000	J & J	100	Nov.24,'03	100	99½	3,000
• 2d con. g. 4's	1989	1,000,000	J & J	95	Nov.20,'03	95	95	15,000
• Warm S. Val. 1st g. 5's,	1941	400,000	M & S	106½	Oct. 29,'02	....	....	....
Greenbrier Ry. 1st gtd. 4's	1940	2,000,000	M & N	....		....	....	....
Chic. & Alton R. R. ref. g. 3's	1949	29,696,000	A & O	82	Nov.28,'03	82⅝	81½	241,000
• • registered			A & O	....		....	....	....
Chic. & Alton Ry 1st lien g. 3½'s.	1950	22,000,000	J & J	73⅞	Nov.27,'03	74½	72½	97,000
• registered			J & J	83¾	Apr. 16,'02	....	....	....
Chicago, Burl. & Quincy:								
• Chic. & Iowa div. 5's	1905	2,320,000	F & A	104¾	Apr.11,'19	....	....	....
• Denver div. 4's	1922	5,030,000	F & A	98⅞	Oct. 15,'03	....	....	....
• Illinois div. 3½s	1949	41,000,000	J & J	94⅝	Nov.30,'03	95⅛	95	85,000
• registered			J & J	....		....	....	....
• (Iowa div.) sink. f'd 5's,	1919	2,505,000	A & O	109⅛	Aug.24,'03	....	....	....
• 4's	1919	8,222,000	A & O	100¾	Nov. 6,'03	100¾	100¾	3,000
• Nebraska extensi'n 4's,	1927	25,627,000	M & N	105⅝	Nov.24,'03	105⅝	105¼	10,000
• registered			M & N	112¾	Apr. 17,'01	....	....	....
• Southwestern div. 4's.	1921	2,650,000	M & S	100	July 20,'03	....	....	....
• 4's joint bonds	1921	215,196,000	J & J	93⅛	Nov.30,'03	94½	93⅛	1,043,000
• • registered			Q JAN	92	Nov.24,'03	93	92	17,000
• 5's, debentures	1913	9,000,000	M & N	105¼	Nov.23,'03	105¼	105¼	18,000
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	113½	Nov.16,'03	113½	113½	1,000
Chicago & E. Ill. 1st s. f'd c'y. 6's.	1907	2,989,000	J & D	107¾	Nov.14,'03	107¾	107¾	25,000
• small bonds			J & D	112	Apr. 2,'96	....	....	....
• 1st con. 6's, gold	1934	2,653,000	A & O	129⅝	Oct. 22,'03	....	....	....
• gen. con. 1st 5's	1937	14,020,000	M & N	115⅛	Nov.30,'03	116	115[illegible]	6,000
• registered			M & N	119⅛	Apr. 13,'03	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	111	Sept.28,'03	....	....	....
Chicago, Indianapolis & Louisville.								
• refunding g. 6's	1947	4,700,000	J & J	126½	Nov.30,'03	126½	126½	5,000
• ref. g. 5's	1947	4,142,000	J & J	108	July 24,'03	....	....	....
Louisv. N. Alb. & Chic. 1st 6's.	1910	3,000,000	J & J	110⅛	Nov. 9,'03	110⅛	110⅛	3,000

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NAME. *Principal Due.*	*Amount.*	*Int'st paid.*	LAST SALE. *Price.*	*Date.*	NOVEMBER SALES. *High.*	*Low.*	*Total.*
Chicago, Milwaukee & St. Paul.							
Chicago Mil. & St. Paul con. 7's, 1905	1,751,000	J & J	167	Oct. 21,'03	....	....	....
" terminal g 5's.........1914	4,748,000	J & J	110½	Nov. 30,'03	110½	110½	5,000
" gen. g. 4's, series A....1989	23,676,000	J & J	110	Nov. 10,'03	110	110	9,000
" registered..................	....	Q J	111	Dec. 8,'02	....	....	....
" gen. g. 3½'s, series B.1989	2,500,000	J & J	104¾	Jan. 29,'02	....	....	....
" registered..................		J & J	....	....	....	....	....
" Chic. & Lake Sup. 5's, 1921	1,360,000	J & J	116½	Apr. 29,'03	....	....	....
" Chic. & M. R. div. 5's, 1926	3,083,000	J & J	117⅛	Nov. 4,'03	117⅛	117⅛	2,000
" Chic. & Pac. div. 6's, 1910	3,000,000	J & J	111½	Sept. 17,'03	....	....	....
" 1st Chic. & P. W. g. 5's.1921	25,340,000	J & J	117⅛	Nov. 30,'03	117¼	116⅛	57,000
" Dakota & Gt. S. g. 5's.1916	2,856,000	J & J	111½	Nov. 25,'03	111⅝	111⅜	8,000
" Far. & So. g. 6's assu...1924	1,250,000	J & J	137½	July 18,'98	....	....	....
" 1st H'st & Dk. div. 7's, 1910	5,680,000	J & J	116	Aug. 6,'03	....	....	....
" 1st 5's...................1910	990,000	J & J	107⅜	Aug. 28,'02	....	....	....
" 1st 7's, Iowa & D, ex, 1908	1,048,000	J & J	183	Feb. 28,'03	....	....	....
" 1st 5's, La. C. & Dav...1919	2,500,000	J & J	113¾	Oct. 28,'03	....	....	....
" Mineral Point div. 5's, 1910	2,840,000	J & J	105¼	July 29,'03	....	....	....
" 1st So. Min. div. 6's....1910	7,432,000	J & J	112½	Nov. 21,'03	113⅜	112½	2,000
" 1st 6's, Southw'n div., 1909	4,000,000	J & J	112	Nov. 4,'03	112	112	5,000
" Wis. & Min. div. g. 5's.1921	4,755,000	J & J	115⅝	Nov. 25,'03	115⅝	115⅝	1,000
" Mil. & N. 1st M. L. 6's.1910	2,155,000	J & D	113	Oct. 27,'03	....	....	....
" 1st con. 6's..............1913	5,092,000	J & D	116	July 20,'03	....	....	....
Chic. & Northwestern con. 7's...1915	12,832,000	Q F	130½	Nov. 25,'03	131	130	17,000
" extension 4's.....1886-1926	18,632,000	F A 15	104½	May 15,'03	....	....	....
" registered..................		F A 15	106⅜	Oct. 9,'02	....	....	....
" gen. g. 3½'s...........1987	20,538,000	M & N	99	Nov. 28,'03	99½	98	40,000
" registered		Q F	103	Nov. 19,'98	....	....	....
" sinking fund 6's..1879-1929	5,753,000	A & O	113½	Nov. 25,'03	113½	113½	1,000
" registered..................		A & O	112½	Nov. 18,'03	112½	112½	2,000
" sinking fund 5s'..1879-1929	6,837,000	A & O	108¾	Nov. 25,'03	108¾	108¼	3,000
" registered..................		A & O	106¾	Mar. 30,'03	....	....	....
" deben. 5's..............1909	5,900,000	M & N	105½	Nov. 18,'03	106	105½	13,000
" registered..................		M & N	104	Sept. 8,'03	....	....	....
" deben. 5's..............1921	10,000,000	A & O	108¾	Nov. 30,'03	108¾	108¾	5,000
" registered..................		A & O	114	Oct. 23,'01	....	....	....
" sinking f'd deben. 5's.1933	9,800,000	M & N	114½	Aug. 11,'03	....	....	....
" registered..................		M & N	123	May 28,'01	....	....	....
Des Moines & Minn. 1st 7's.....1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's...1905	1,600,000	M & S	106	Nov. 5,'02	....	....	....
Northern Illinois 1st 5's........1910	1,500,000	M & S	108	Oct. 9,'02	....	....	....
Ottumwa C. F. & St. P. 1st 5's..1909	1,600,000	M & S	105⅝	Nov. 17,'03	105⅝	105⅝	2,000
Winona & St. Peters 2d 7's.....1907	1,592,000	M & N	110⅝	Nov. 24,'03	110¾	110⅝	11,000
Mil., L. Shore & We'n 1st g. 6's.1921	5,000,000	M & N	128½	Sept. 22,'03	....	....	....
" ext. & impt. s.f'd g. 5's1929	4,148,000	F & A	118⅝	Nov. 19,'03	118⅝	118¼	7,000
" Ashland div. 1st g. 6's 1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
" Michigan div. 1st g. 6's.1924	1,281,000	J & J	131⅞	Nov. 11,'03	131⅞	131⅞	1,000
" con. deb. 5's...........1907	436,000	F & A	107½	Feb. 21,'01	....	....	....
" incomes...............1911	500,000	M & N	109	Sept. 9,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup...1917	12,500,000	J & J	124⅝	Nov. 24,'03	125⅛	124⅝	2,000
" registered.............1917		J & J	125	Nov. 16,'03	125	125	5,000
" gen. g. 4's.............1988	60,581,000	J & J	102¼	Nov. 30,'03	104	102	351,000
" registered		J & J	107	Jan. 16,'03	....	....	....
" coll. tr. ser. 4's ser. B.1904	1,494,000	M & N	98	Aug. 18,'03	....	....	....
" C.........................1905	1,494,000	M & N	100⅜	July 2,'02	....	....	....
" D.........................1906	1,494,000	M & N	....	....	....	....	....
" E.........................1907	1,494,000	M & N	....	....	....	....	....
" F.........................1908	1,494,000	M & N	....	....	....	....	....
" G.........................1909	1,494,000	M & N	....	....	....	....	....
" H.........................1910	1,494,000	M & N	99⅝	June 3,'02	....	....	....
" I.........................1911	1,494,000	M & N	....	....	....	....	....
" J.........................1912	1,494,000	M & N	....	....	....	....	....
" K.........................1913	1,494,000	M & N	....	....	....	....	....
" L.........................1914	1,494,000	M & N	....	....	....	....	....
" M.........................1915	1,494,000	M & N	99½	July 01,'02	....	....	....
" N.........................1916	1,494,000	M & N	99⅜	June 28 '20	....	....	....
" O.........................1917	1,494,000	M & N	....	....	....	....	....
" P.........................1918	1,494,000	M & N	87	Aug. 7,'03	....	...	....
Chic. Rock Is. & Pac. R.R. 4's..2002	69,557,000	M & N	70½	Nov. 30,'03	74½	69⅞	1,578,000
" registered..................		M & N	88¼	Jan. 7,'03	....	....	....
" coll. trust g. 5's.......1913	17,034,000	M & S	75	Nov. 30,'03	75¾	71	1,743,000
Choc., Okla. & Glf. gen. g. 5s....1919	1,200,000	J & J	109	Mar. 10,'03	....	....	....
" con. g. 5's..............1952	5,500,000	J & J	....	....	....	....	....
Des Moines & Ft. Dodge 1st 4's.1905	5,411,000	J & J	95¼	Oct. 1,'03	....	....	....
" 1st 2½'s.................1905	1,200,000	J & J	90	Oct. 1,'03	....	....	....
" extension 4 s..............	672,000	J & J	94¾	Jan. 9,'03	....	....	....
Keokuk & Des M. 1st mor. 5's..1923	2,750,000	A & O	104½	Nov. 6,'03	104½	104½	2,000
" small bond............1923	....	A & O	107	Oct. 1,'01	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
Chic., St.P., Minn.& Oma.con.6's	1930	14,624,000	J & D	134	Nov.30,'03	134	133	8,000
" con.6's reduced to 3½'s	1930	2,000,000	J & D	95½	Nov.11,'03	95½	95½	10,000
Chic., St. Paul & Minn. 1st 6's	1918	1,899,000	M & N	130¼	Nov. 7,'03	130¼	130¼	2,000
North Wisconsin 1st mort. 6's	1930	690,000	J & J	126½	Sept.23,'03	....	....	....
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	121½	Nov.27,'03	121½	121½	11,000
Chic., Term. Trans. R. R. g. 4's	1947	13,635,000	J & J	76½	Nov.19,'03	76½	75	29,000
Chic. & Wn. Ind. gen'l g. 6's	1932	9,710,000	Q M	109½	Oct. 26,'03	....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's	1905	927,000	A & O	111½	Dec. 9,'01	....	....	....
" 2d g. 4½'s	1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's	1941	3,500,000	M & N	111¼	Sept.21,'03	....	....	....
Clev.,Cin.,Chic.& St.L. gen.g. 4's	1993	17,657,000	J & D	97	Nov.25,'03	97	96¼	143,000
" do Cairo div. 1st g. 4's	1939	5,000,000	J & J	101½	Oct. 8,'02	....	....	....
Cin.,Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	98	Nov.24,'03	98	98	1.000
St. Louis div. 1st col. trust g.4's	1990	9,750,000	M & N	100	Nov.17,'03	100	99	23,000
" registered				103	Oct. 10,'02	....	....	....
Sp'gfield & Col. div. 1st g. 4's	1940	1,035,000	M & S	102	Dec. 9,'02	....	....	....
White W. Val. div. 1st g. 4's	1940	650,000	J & J	94½	Aug.31,'03	....	....	....
Cin.,Ind., St. L. & Chic. 1st g.4's	1936	7,674,000	Q F	99	Nov.11,'03	99	99	1,000
" registered				95	Nov.15,'94	....	....	....
" con. 6's	1920	668,000	M & N	107½	June 30,'93	....	....	....
Cin.,S'dusky&Clev.con.1st g.5's	1928	2,571,000	J & J	112⅞	Nov.17,'03	112⅞	112⅞	1,000
Clev., C., C. & Ind. con. 7's	1914	3,991,000	J & D	120	July 28,'02	....	....	....
" sink. fund 7's	1914		J & D	119⅝	Nov.19,'89	....	....	....
" gen. consol 6's	1934	3,205,000	J & J	128¼	Oct. 16,'03	....	....	....
" registered			J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's	1940	981,500	A & O	104½	Nov.19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	95½	Nov.25,'03	96	95½	31,000
" income 4's	1990	4,000,000	A	60	Nov.25,'03	62	60	26,000
Clev.,Lorain & Wheel'g con.1st 5's	1933	5,000,000	A & O	109	Oct. 8,'03	....	....	....
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	127½	Jan. 25,'02	....	....	....
" registered			Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's	1947	8,946,000	J & J	62	Nov.10,'03	63½	62	12,000
Colorado & Southern 1st g. 4's	1929	18,803,000	F & A	83½	Nov.30,'03	86	83½	84,000
Conn., Passumpsic Riv's 1st g. 4's	1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's	1907	3,067,000	M & S	114	July 7,'03	....	....	....
Morris & Essex 1st m 7's	1914	5,000,000	M & N	1 9½	Nov. 9,'03	129½	129½	2,000
" 1st c. gtd 7's	1915	11,677,000	J & D	130¾	Aug. 7,'03	....	....	....
" registered			J & D	140	Oct. 26,'98	....	....	....
" 1st refund.gtd.g.3½'s	2000	7,000,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	129½	Nov.12,'03	129½	129½	4,000
" const. 5's	1923	5,000,000	F & A	109¾	Sept.23,'03	....	....	....
" terml. imp. 4's	1923	5,000,000	M & N	101¾	Sept.29,'03	....	....	....
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	109	Nov.23,'03	109	109	5,000
Warren Rd. 1st rfdg.gtd g.3½'s	2000	905,000	F & A	102	Feb. 2,'03	....	....	....
Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's	1917	5,000,000	M & S	136½	July 29,'03	....	....	....
" reg	1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	107½	Nov.30,'03	107½	107½	6,000
" registered			A & O	122	June 6,'99	....	....	....
" 6's	1906	7,000,000	A & O	105½	Nov.30,'03	105½	105	5,000
" registered			A & O	109½	Nov.16,'01	....	....	....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	143¾	Nov.10,'02	....	....	....
" 1st r 7's	1921		M & N	147¾	June 18,'03	....	....	....
Denver & Rio G. 1st con. g. 4's	1936	33,450,000	J & J	99⅜	Nov.30,'03	99¾	98½	44,500
" con. g. 4½'s	1936	6,382,000	J & J	106⅝	May 22,'03	....	....	....
" impt. m. g. 5's	1928	8,318,500	J & D	104	Oct. 14,'03	....	....	....
Rio Grande Western 1st g. 4's	1939	15,200,000	J & J	95½	Nov.27,'03	96	95	35,000
" mge.&col.tr.g.4's ser.A.	1949	12,200,000	A & O	84¼	Nov.27,'03	84½	82	102,000
Utah Central 1st gtd. g. 4's	1917	550,000	A & O	97	Jan. 3,'02	....	....	....
Denv. & Southe n Ry g. s. fg. 5's	1929	4,923,000	J & D	35	Nov.30,'03	38	35	77 000
Des Moines Union Ry 1st g. 5's	1917	623,000	M & N	111	Feb. 28,'03	....	....	....
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	94	Nov.30,'03	94	94	7,000
" g. 4s	1995	1,250,000	J & D	92½	Oct. 17,'03	....	....	....
Detroit Southern 1st g. 4's	1951	2,866,000	J & D	75½	Aug.25,'03	....	....	....
" Ohio South. div.1st g.4's	1941	4,281,000	M & S	86	Nov.13,'03	86	84	3,000
Duluth & Iron Range 1st 5's	1937	6,732,000	A & O	110	Nov.17,'03	110	110	5,000
" registered			A & O	101½	July 23,'89	....	....	....
" 2d l m 6s	1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's	1937	2,816,000	J & J	114½	Nov.12,'03	114½	114½	1,000
Elgin Joliet & Eastern 1st g 5's	1941	8,500,000	M & N	115	Oct. 29,'03	....	....	....

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Erie 1st ext. g. 4's	1947	2,482,000	M & N	114	May 25,'03	....	....	....
" 2d extended g. 5's	1919	2,149,000	M & S	112	Nov. 18,'03	112	112	1,000
" 3d extended g. 4½'s	1923	4,617,000	M & S	112	Aug.15,'03	....	....	....
" 4th extended g. 5's	1920	2,926,000	A & O	117	Dec. 19,'02	....	....	....
" 5th extended g. 4's	1928	709,500	J & D	101⅞	June26,'03	....	....	....
" 1st cons gold 7's	1920	16,390,000	M & S	131½	Nov.23,'03	131½	131	6,000
" 1st cons. fund g. 7's	1920	3,699,500	M & S	130	Aug. 7,'03	....	....	....
Erie R.R. 1st con. g-4s prior bds.	1996	34,000,000	J&J	98¼	Nov.30,'03	98½	97¾	196,000
" registered			J&J	97	May 15,'03	....	....	....
" 1st con. gen. lien g. 4s.	1996	34,385,000	J&J	84½	Nov.30,'03	84½	83⅛	212,000
" registered			J&J	....		....	....	....
" Penn. col. trust g. 4's.	1951	32,000,000	F & A	88½	Nov. 30,'03	89½	88	31,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	125½	June17,'03	....	....	....
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	....		....	....	....
" small			J&J			....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	116	Nov. 25,'03	116¾	115¾	22,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	106	Aug. 5,'02	....	....	....
Long Dock consol. g. 6's	1935	7,500,000	A & O	130⅛	Nov.18,'03	130⅛	128¾	6,000
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	112½	Nov.30,'03	112½	112	8,000
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	113½	Nov.25,'03	113½	113½	5,000
N. Y. & Greenw'd Lake gt g 5's	1946	1,453,000	M&N	109	Oct. 27,'98	....	....	....
" small								
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	109½	Nov.25,'03	111	109½	1,000
N.Y., Sus.&W. 1st refdg. g. 5's	1937	3,745,000	J & J	108	Aug.27,'03	....	....	....
" 2d g. 4½'s	1937	447,000	F & A	99	Nov. 4,'03	99	99	1,000
" gen. g. 5's	1940	2,546,000	F & A	100	Sept.16,'03	....	....	....
" term. 1st g. 5's	1943	2,000,000	M & N	110½	Nov.23,'03	110½	110½	1,000
" registered......$5,000 each			M & N	....		....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	107¾	Nov. 10,'03	107¾	107½	2,000
Evans. & Terre Haute 1st con. 6's	1921	3,000,000	J & J	116¾	Nov.11,'03	116¾	116¾	2,000
" 1st General g 5's	1942	2,223,000	A & O	100	Nov.11,'03	100	100	7,000
" Mount Vernon 1st 6's	1923	375,000	A & O	112	June 2,'02	....	....	....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sept.15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	107	Oct. 15,'03	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s.	1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	3,176,000	......	105¼	Nov. 30,'03	107	104¼	33,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,863,000	J & J	75	Nov. 9,'03	75	75	9,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	100	Oct. 14,'03	....	....	....
Gulf & Ship Isl. 1st refg. & ter. 5's	1952	4,591,000	J & J	102⅝	Oct. 2,'03	....	....	....
" registered			J & J	....		....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	12,157,000	J & J	106	Nov. 30,'03	106½	105½	54,000
" registered			J & J	....		....	....	....
Col. Hock's Val. 1st ext. g. 4's	1848	1,401,000	A & O	101	Nov.23,'03	101	90	1,000
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	114	Oct. 27,'03	....	....	....
" registered			J&J	113½	Mar. 12,19'	....	....	....
" 1st gold 3½'s	1951	2,499,000	J&J	99½	Oct. 14,'03	....	....	....
" registered			J&J	94	Mar.28,'03	....	....	....
" extend 1st g 3½'s	1951	3,000,000	A & O	99¼	Oct. 22,'03	....	....	....
" registered			A & O	....		....	....	....
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92½	July 13,'96	....	....	....
" registered			M & S	....		....	....	....
" total outstg....$13,950,000						....	....	....
" collat. trust gold 4's	1952	15,000,000	A & O	103	Nov. 6,'03	103	103	31,500
" regist'd			A & O	102	Oct. 4,'03	....	....	....
" col. t. g. 4s L. N. O. & Tex.	1953	24,679,000	M & N	102	Nov. 17,'03	102½	101½	69,000
" registered			M & N	104⅝	May 20,'02	....	....	....
" Cairo Bridge g 4's	1950	3,000,000	J & D	106½	Mar. 7,'03	....	....	....
" registered			J & D	123	May 24,'99	....	....	....
" Louisville div. g. 3½'s	1953	14,320,000	J & J	91½	Oct. 10,'03	....	....	....
" registered			J & J	88½	Dec. 8,'99	....	....	....
" Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
" St. Louis div. g. 3's	1951	4,939,000	J & J	85¾	Aug.14,'02	....	....	....
" registered			J & J	101¼	Jan. 31,'19	....	....	....
" g. 3½'s	1951	6,321,000	J & J	91½	Oct. 10,'03	....	....	....
" registered			J & J	101½	Sept. 10,'95	....	....	....
" Sp'gfield div 1st g 3½'s	1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
" registered			J & J	124	Dec. 11,'99	....	....	....
" West'n Line 1st g. 4's	1951	5,425,000	F & A	103¼	Sept.26,'03	....	....	....
" registered			F & A	101½	Jan.31,'91	....	....	....
Belleville & Carodt 1st 6's	1923	470,000	J & D	124	May 16,'03	....	....	....

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Carbond'e & Shawt'n 1st g. 4's, 1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's....1951	16,555,000	J D 15	119	Nov. 10,'03	119	119	1,000
" gold 5's, registered........		J D 15	117	Oct. 3,'03	....	....	....
" g. 3½'s................1951	1,352,000	J D 15	104⅝	Apr. 11,'02	....	....	....
" registered................		J D 15	106¼	Aug. 17,'99	....	....	....
" Memph. div. 1st g. 4's, 1951	3,500,000	J & D	104¼	Nov. 11,'03	104¼	104¼	1,000
" registered................		J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's, 1931	538,000	M & S	101	Mar. 3,'02	....	....	....
Ind., Dec. & West. 1st g. 5's......1935	1,824,000	J & J	107½	Sept. 11,'03	....	....	....
" 1st gtd. g. 5's............1935	933,000	J & J	107½	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's..1950	4,850,000	J & J	97	Sept. 29,'03	....	....	....
Internat. & Gt. N'n 1st. 6's, gold.1919	10,742,000	M & N	120	Nov. 6,'03	120	120	25,000
" 2d g. 5's................1909	9,842,000	M & S	98½	Nov. 30,'03	98¾	94¼	292,500
" 3d g. 4's................1921	2,730,500	M & S	70	Nov. 19,'03	70	70	3,000
Iowa Central 1st gold 5's.........1938	7,650,000	J & D	109⅞	Oct. 3,'03	....	....	....
" refunding g. 4's ...1951	2,000,000	M & S	92	Aug. 25,'03	....	....	....
Kansas City Southern 1st g. 3's..1950	30,000,000	A & O	67	Nov. 30,'03	67½	66	522,000
" registered....................		A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's...1937	7,250,000	J & J	118	Nov. 10,'03	118	116½	5,000
" 2d mtge. g. 5's...........1941	3,625,000	J & J	111	Nov. 13,'03	111	111	8,000
Northern Ohio 1st gtd g 5's... 1945	2,500,000	A & O	111	Nov. 2[illegible],'03	111	111	2,000
Lehigh Val. (Pa.) coll. g. 5's.....1997	8,000,000	M & N	110	Feb. 3,'02	....	....	....
" registered....................		M & N	....	....	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s.1940	15,000,000	J&J	107¼	Nov. 19,'03	107¼	106½	7,000
" registered....................	....	J&J	109½	June 18,'02	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.1941	10,000,000	A & O	113⅝	June 1,'03	....	....	....
" registered....................		A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's.1933	9,828,000	J & J	105	Nov. 9,'03	105	105	2,000
" registered...............1933		J & J	....	....	....	....	....
Lehigh & N. Y., 1st gtd g. 4's.....1945	2,000,000	M&S	91	Oct. 14,'03	....	....	....
" registered....................		M&S	....	....	....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's 1914	750,000	A & O	....	....	....	....	....
" " g. gtd 5's.......1914	1,250,000	A & O	100	Mar. 25,'99	....	....	....
Long Island 1st cons. 5's..........1931	3,610,000	Q J	113½	Aug. 25,'03	....	....	....
" 1st con. g. 4's............1931	1,121,000	Q J	101	Nov. 22,'99	....	....	....
Long Island gen. m. 4's.........1938	3,000,000	J & D	101⅝	Nov. 9,'03	101⅝	101⅝	1,000
" Ferry 1st g. 4½'s......1922	1,494,000	M & S	100½	Nov. 17,'03	100½	100½	2,000
" g. 4's...................1932	325,000	J & D	102½	May 5,'97	....	....	....
" unified g. 4's...........1949	6,860,000	M & S	98½	Nov. 28,'03	99½	98	58,000
" deb. g. 5's.........1934	1,135,000	J & D	111	Jan. 22,'02	....	....	....
Brooklyn & Montauk 1st 6's....1911	250,000	M & S	....	....	....	....	....
" 1st 5's...................1911	750,000	M & S	105¼	Mar. 3,'03	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's,..1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's, 1927	888,000	M & S	112½	Jan. 10,'02	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's, 1932	1,425,000	QJAN	112½	Apr. 9,'02	....	....	....
Louis. & Nash. gen. g. 6's.......1930	8,584,000	J & D	117½	Nov. 24,'03	117½	117¼	8,000
" gold 5's................1937	1,764,000	M & N	112	Oct. 7,'03	....	....	....
" Unified gold 4's........1940	29,677,000	J & J	98½	Nov. 27,'03	98⅞	97⅞	821,000
" registered 1940		J & J	83	Feb 27,'93	....	....	....
" collateral trust g. 5's, 1931	5,129,000	M & N	111	Nov. 17,'03	111	111	3,000
" E., Hend. & N. 1st 6's..1919	1,730,000	J & D	113	Nov. 5,'03	113	113	1,000
" L. Cin. & Lex. g. 4½'s,..1931	3,258,000	M & N	108¼	Jan. 30,'03	....	....	....
" N. O. & Mobile 1st g. 6's..1930	5,000,000	J & J	128½	Nov. 5,'03	127½	126½	2,000
" 2d g. 6's................1930	1,000,000	J & J	122¾	Aug. 31,'03	....	....	....
" Pensacola div. g. 6's...1920	580,000	M & S	116⅝	Mar. 22,'02	....	....	....
" St. Louis div. 1st g. 6's.1921	3,500,000	M & S	125½	Aug. 12,'02	....	....	....
" 2d g. 3's................1980	3,000,000	M & S	75	June 20,'02	....	....	....
" H. B'ge 1st sk'fd. g 6's.1931	1,587,000	M & S	....	....	....	....	....
" Ken. Cent. g. 4's......1987	6,742,000	J & J	98	Nov. 25,'03	98½	98	14,000
" L. & N. & Mob. & Montg 1st. g. 4½s...........1945	4,000,000	M & S	107½	June 2,'02	....	....	....
" South. Mon. joint 4's.1952	11,827,000	J & J	90	Nov. 28,'03	90½	89	169,000
" registered..................		Q Jan	....	....	....	....	...
" N. Fla. & S. 1st g. g. 5's, 1937	2,096,000	F & A	106½	Sept. 24,'03	....	....	....
" Pen. & At. 1st g. g. 6's, 1921	2,550,000	F & A	111	Nov. 11,'03	111	111	1,000
" S. & N. A. con. gtd. g. 5's.1936	3,673,000	F & A	105¼	Oct. 1,'03	....	....	....
" So. & N. Ala. si'fd. g. 6s.1910	1,942,000	A & O	110	Mar. 23,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's.1945	3,000,000	M & S	100	Mar. 19,'01	....	....	....
Manhattan Railway Con. 4's.....1990	28,065,000	A & O	102½	Nov. 30,'03	102⅝	102	149,000
" registered....................		A & O	103⅞	Dec. 17,'02	....	....	....

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NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	NOVEMBER SALES. High.	NOVEMBER SALES. Low.	NOVEMBER SALES. Total.
Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	109½	Nov.23,'03	109¾	109½	66,000
Manitoba Swn. Coloniza'n g. 5's	1934	2,544,000	J & D					
Mexican Central.								
" con. mtge. 4's	1911	65,643,000	J & J	72¼	Nov.30,'03	72½	71	108,000
" 1st con. inc. 3's	1939	20,511,000	JULY	15½	Nov.30,'03	15½	13½	230,000
" 2d 3's	1939	11,724,000	JULY	8⅛	Nov.30,'03	8¾	8⅛	105,000
" equip. & collat. g. 5's	1917	650,000	A & O					
" 2d series g. 5's	1919	715,000	A & O					
" col.trust g.4½'s1st se of	1907	10,000,000	F & A	93	Nov.28,'03	93⅝	92¼	13,000
Mexican Internat'l 1st con g. 4's	1977	3,382,000	M & S	90⅝	July 29,'01			
" stamped gtd		3,621,000						
Mexican Northern 1st g. 6's	1910	1,061,000	J & D					
" registered			J & D	105	May 2,19'			
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	143	Nov.17,'03	146	146	4,000
" Iowa ext. 1st g. 7's	1909	1,015,000	J & D	114⅝	Nov.16,'03	114⅝	114⅝	1,000
" Pacific ext. 1st g. 6's	1921	1,382,000	J & A	123½	Apr.29,'03			
" Southw. ext. 1st g. 7's	1910	636,000	J & D	121	Jan. 21,'02			
" 1st con. g. 5's	1934	5,000,000	M & N	113	Nov.12,'03	113	113	1,000
" 1st & refunding g. 4's	1949	7,600,000	M & S	97	Nov.24,'03	97½	97	23,000
Minn., S. P. & S. S. M., 1st c. g. 4's	1938	21,949,000	J & J	98	Apr. 3,'01			
" stamped pay. of int. gtd.								
Minneapolis & Pacific 1st m. 5's	1936	337,000	J & J	102	Mar.26,'87			
" stamped 4's pay. of int. gtd.								
Minn., S. S. M. & Atlan. 1st g. 4's	1926	8,209,000	J & J	103	Nov.11,'01			
" stamped pay. of int. gtd.				89⅝	June 18,'91			
Missouri, K. & T. 1st mtge g. 4's	1990	40,000,000	J & D	98¼	Nov.30,'03	98¾	97½	152,500
" 2d mtge. g. 4's	1990	20,000,000	F & A	76¼	Nov.30,'03	76½	75	104,500
" 1st ext gold 5's	1944	2,868,000	M & N	98⅞	Nov.27,'03	99⅜	98¼	92,000
St. Louis div. 1st refundg 4s	2001	1,852,000	A & O	86	Oct. 16,'02			
Dallas & Waco 1st gtd. g. 5's	1940	1,340,000	M & N	101	Oct. 20,'03			
Mo. K.&T. of Tex 1st gtd. g. 5's	1942	3,907,000	M & S	99	Nov.30,'03	100⅞	98	163,000
Sher.Shrevept & So1st gtd.g.5's	1943	1,689,000	J & D	106	Aug.21,'03			
Kan. City & Pacific 1st g. 4's	1990	2,500,000	F & A	86½	Nov.30,'03	86½	86½	10,000
Mo. Kan. & East'n 1st gtd. g. 5's	1942	4,000,000	A & O	106¼	Nov.19,'03	106¼	106¼	2,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	117½	Nov.23,'03	118	117	42,000
" 3d mortgage 7's	1906	3,828,000	M & N	105½	Nov. 2,'03	105½	105½	1,000
" trusts gold 5's stamp'd	1917	14,376,000	M & S	105	Nov.27,'03	105¾	104⅝	101,000
" registered			M & S					
" 1st collateral gold 5's	1920	9,636,000	F & A	105	Nov.19,'03	105½	105	81,000
" registered			F & A					
Cent. Branch Ry. 1st gtg. g. 4's	1919	3,459,000	F & A	92	Nov.20,'03	92	91⅞	5,000
Leroy & Caney Val. A. L. 1st 5's	1926	520,000	J & J	100	May 1,'01			
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	102¼	Nov.18,'03	102¼	101⅝	61,000
" 2d extended g. 5's	1938	2,573,000	F & A	110½	Nov.23,'03	110½	110½	1,000
St. L. & I. g. con. R.R.&l.gr. 5's	1931	36,158,000	A & O	110¾	Nov.27,'03	111	110½	234,000
" stamped gtd gold 5's	1931	6,532,000	A & O	109¾	Oct. 21,'03			
" unify'g & rfd'g g. 4's	1929	25,726,000	J & J	85¾	Nov.30,'03	86¼	85¼	72,000
" registered			J & J					
" riv & gulf divs 1st g 4s	1933	12,242,000	M & N					
" registered			M & N					
Verdigris V'y Ind. & W. 1st 5's	1926	750,000	M & S					
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	109	Aug.31,19'			
" small		226,000	J & J	90	Feb. 4,'03			
" mtg. g. 4's	1945	700,000	J & J	93	Apr. 25,'02			
" small		500,000						
Mob. Jackson & Kan. City 1st g. 5's	1946	1,882,000	J & D	102	July 25,'02			
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	128	Nov.18,'03	128	125	2,000
" 1st extension 6's	1927	974,000	J & D	120	Oct. 27,'03			
" gen. g. 4's	1938	9,472,000	Q J	91½	Oct. 26,'03			
" Montg'ry div. 1st g. 5's	1947	4,000,000	F & A	111	Nov.25,'03	113	111	6,000
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	93	Feb. 3,'03			
" collateral g. 4's	1930	2,494,000	Q F	98½	Nov. 9,'03	98½	98½	5,000
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	121	Nov.16,'03	121	121	8,000
" 1st cons. g. 5's	1928	7,412,000	A & O	111½	Nov.27,'03	111½	110⅛	9,000
" 1st g. 6's Jasper Branch	1923	371,000	J & J	123	Mar.28,'01			
" 1st 6's McM. M.W. & Al.	1917	750,000	J & J	116	July 31,'02			
" 1st 6's T. & Pb.	1917	300,000	J & J	110	Dec. 20,'99			
Nat.R.R. of Mex. prior lien g. 4½'s	1926	20,000,000	J & J	102½	Oct. 28,'03			
" 1st con. g. 4's	1951	22,000,000	A & O	75¾	Nov.30,'03	76½	75	95,000
N. O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108½	Aug.13,'94			

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
N.Y. Cent. & Hud. R. g. mtg. 3½s	1997	70,857,000	J & J	99	Nov. 30,'03	99¾	99	235,000
" " registered			J & J	99	Oct. 28,'03	....	....	....
" debenture 5's	1884–1904	4,480,000	M & S	101¼	Nov. 27,'03	101¼	101	11,000
debenture 5's reg			M & S	101¼	Nov. 25,'03	101¼	101¼	1,000
" reg. deben. 5's	1889–1904	639,000	M & S	103⅛	Apr. 30,'01	....	....	....
" debenture g. 4's	1890–1905	5,094,000	J & D	99¾	June 1,'03	....	....	....
" registered			J & D	99	Dec. 12,'02	....	....	....
" deb. cert. ext. g. 4's	1905	3,581,000	M & N	99⅛	Nov. 25,'03	99⅛	99⅛	2,000
" registered			M & N	99½	Nov. 8,'02	....	....	....
Lake Shore col. g. 3½s	1998	90,578,000	F & A	88½	Nov. 30,'03	90¾	88⅜	193,000
" registered			F & A	86	Nov. 27,'03	89	86	10,000
Michigan Central col. g. 3½s	1998	19,336,000	F & A	89	Nov. 27,'03	89	88	6,000
" registered			F & A	91	Jan. 17,'03	....	....	....
Beech Creek 1st. gtd. 4's	1936	5,000,000	J & J	108½	June 9,'03	....	....	....
" registered			J & J	103½	Nov. 14,'03	103½	103½	1,000
" 2d gtd. g. 5's	1936	500,000	J & J	....	....	....	....	....
" registered		....	J & J	....	....	....	....	....
" ext. 1st. gtd. g. 3½'s	1951	3,500,000	A & O	....	....	....	....	....
" registered			A & O	....	....	....	....	....
Carthage & Adiron. 1st gtd g. 4's	1981	1,100,000	J & D	....	....	....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A.	1940	716,000	J & J	95	Apr. 3,'02	....	....	....
" small bonds series B		33,000	J & J	....	....	....	....	....
Gouv. & Oswega. 1st gtd g. 5's	1942	300,000	J & D	....	....	....	....	....
Mohawk & Malone 1st gtd g. 4's	1991	2,500,000	M & S	107½	July 6,19'	....	....	....
N. Jersey Junc. R. R. g. 1st 4's	1986	1,650,000	F & A	105	Oct. 10,'02	....	....	....
" reg. certificates			F & A	....	....	....	....	....
N.Y. & Putnam 1st con. gtd g. 4's	1993	4,000,000	A & O	105½	Nov. 15,'96	....	....	....
Nor. & Montreal 1st g. gtd 5's	1916	130,000	A & O	....	....	....	....	....
West Shore 1st guaranteed 4's	2361	50,000,000	J & J	108	Nov. 27,'03	108½	107	79,000
" registered			J & J	107⅞	Nov. 28,'03	108	107	28,000
Lake Shore con. 2d 7's	1903	6,312,000	J&D	102	Sept. 21,'03	....	....	....
" con. 2d registered	1903		J&D	101½	Aug. 10,'03	....	....	....
" g 3½s	1997	43,820,000	J & D	101½	Nov. 27,'03	102¾	101½	86,000
" registered			J & D	101⅛	Nov. 20,'03	101½	100½	21,000
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	114	Feb. 6,'02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's	1938	840,000	J & J	....	....	....	....	....
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	121	Nov. 21,'03	121	121	12,000
Pitt McK'port & Y. 1st gtd 6's	1932	2,250,000	J & J	139	Jan. 21,'03	....	....	....
" 2d gtd 6's	1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J	....	....	....	....	....
Michigan Cent. 6's	1909	1,500,000	M & S	111¼	Nov. 9,'03	111¼	111¼	6,000
" 5's	1931	3,576,000	M & S	123½	Mar. 13,'03	....	....	....
" 5's reg	1931		Q M	127	June 19,'02	....	....	....
" 4's	1940	2,600,000	J & J	110	Dec. 7,'01	....	....	....
" 4's reg			J & J	106½	Nov. 26,19'	....	....	....
" g. 3½'s sec. by 1st mge. on J. L. & S.		1,900,000	M & S	....	....	....	....	....
" 1st g. 3½'s	1952	10,000,000	M & N	99½	Oct. 26,'03	....	....	....
Battle C. Sturgis 1st g. g. 3's	1989	476,000	J & D	....	....	....	....	....
N. Y. & Harlem 1st mort. 7's c	1900	12,000,000	M & N	100	Sept. 24,19'	....	....	....
" 7's registered	1900		M & N	102¾	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's	1927	1,200,000	A & O	115	Oct. 15,'03	....	....	....
R. W. & Og. con. 1st ext. 5's	1922	2,081,000	A & O	117¼	Nov. 10,'03	117¼	117¼	1,000
coup. g. bond currency			A & O	....	....	....	....	....
Oswego & Rome 2d gtd gold 5's	1915	400,000	F & A	113¾	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's	1918	375,000	M & N	....	....	....	....	....
Utica & Black River gtd g. 4's	1922	1,800,000	J & J	104	Oct. 20,'03	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	103½	Nov. 27,'03	104	103	40,000
" registered			A & O	103	May 14,'03	....	....	....
N. Y., N. Haven & Hartford.								
Housatonic R. con. g. 5's	1937	2,838,000	M & N	131¾	Apr. 29,'03	....	....	....
New Haven and Derby con. 5's	1918	575 000	M & N	115½	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's	1905	6,000,000	J & J	106¼	May 14,'03	....	....	....
" 1st 6's	1905	4,000,000	J & J	101	Sept. 8,'03	....	....	....
N.Y., Ont. & W'n. ref'ding 1st g. 4's	1992	16,937,000	M & S	102½	Nov. 28,'03	102½	101	34,000
" registered......$5,000 only.		....	M & S	101	May 15,'03	....	....	....
Norfolk & Southern 1st g. 5's	1941	1,430,000	M & N	114	Feb. 4,'03	....	....	....
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	132	Sept. 2,'03	....	....	....
" imp'ment and ext. 6's	1934	5,000,000	F & A	127	Nov. 28,'03	127	127	6,000
" New River 1st 6's	1932	2,000,000	A & O	127	Nov. 19,'03	127½	127	4,000

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Norfolk & West. Ry 1st con. g. 4s.	1996	37,710,500	A & O	97	Nov. 30,'03	97	96⅛	233,000
" registered			A & O	96⅛	Sept. 22,'03	....	....	....
" small bonds			A & O	....		....	....	....
" Pocahon C.&C.Co.jt.4's.	1941	20,000,000	J & D	90	Nov. 30,'03	90	89½	157,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	107½	July 1,'01	....	....	....
" Sci'o Val & N.E. 1st g. 4's.	1989	5,000,000	J & N	98⅛	Nov. 30,'03	98⅛	97	21,000
N. P. Ry prior ln ry.&ld.gt.g.4's..	1997	101,392,500	Q J	102⅝	Nov. 30,'03	102⅝	101⅛	659,500
" registered			Q J	102⅛	Nov. 6, '03	102⅛	102⅛	2,000
" gen. lien g. 3's	2047	56,000,000	Q F	70¼	Nov. 30,'03	70¼	69¾	243,000
" registered			Q F	68	Oct. 26,'03	....	....	....
St. Paul & Duluth div. g. 4's...	1996	7,897,000	J & D	97	Nov. 9, '02	97	97	1,000
" registered			J & D	....		....	....	....
St. Paul & N. Pacific gen g. 6's.	1923	7,985,000	F & A	122	Oct. 17,'03	....	....	....
" registered certificates....			Q F	132	July 28,'98	....	....	....
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	112¼	July 21, 03	....	....	....
" 2d 5's	1917	2,000,000	A & O	107	Nov. 9, '03	107	106	6,000
" 1st con. g. 4's	1968	1,000,000	J & D	98	Nov. 27,'03	98	96⅛	17,000
Washington Cen. Ry 1st g. 4's..	1948	1,538,000	QMCH	94⅛	Feb. 19,'01	....	....	....
Nor. Pacific Term. Co. 1st g. 6's..	1933	3,665,000	J & J	111½	Oct. 2,'03	....	....	....
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	114½	May 4,'02	....	....	....
" gen. mortg. g 6's	1937	2,428,000	A & O	108½	July 9,02'	....	....	....
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	105¼	Nov. 2, '03	105¼	105¼	1,000
Panama 1st sink fund g. 4½'s....	1917	2,246,000	A & O	102	Apr. 21,'03	....	....	....
" s. f. subsidy g 6's	1910	887,000	M & N	102	Apr. 14,'02	....	....	....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	111	Nov. 30,'03	111	110¼	5,000
" reg	1921		J & J	106	Mar. 26, '03	....	....	....
" gtd.3½ col.tr.reg.cts..	1937	4,895,000	M & S	95¾	Nov. 2, '03	95¾	95¾	5,000
" gtd.3½ col.tr.cts.ser B	1941	9,794,000	F & A	91½	Oct. 8,'03	....	....	....
" Trust Co. ctfs. g. 3½'s.	1916	17,332,000	M & N	195	July 16,'03	....	....	....
Chic., St. Louis & P. 1st c. 5's..	1932	1,506,000	A & O	122¼	Feb. 9,'03	....	....	....
" registered		....	A & O	10	May 3,'92	....	....	....
Cin., Leb. & N. 1st con.gtd.g.4's.	1942	900,000	J & J	....		....	....	....
Clev.&P.gen.gtd.g.4½'s Ser. A.	1942	3,000,000	J & J	108¼	Aug. 21,'03	....	....	....
" Series B	1942	1,561,000	A & O	....		....	....	....
" " int. reduc. 3½ p.c.		439,000	......	....		....	....	....
" Series C 3½s	1948	3,000,000	M & N	....		....	....	....
" Series D 3½s	1950	1,933,000	F & A	....		....	....	....
E.&Pitts. gen.gtd.g.3½s Ser.B.	1940	2,250,000	J & J	102	Nov. 7,19'	....	....	....
" " " C.	1940	1,508,000	J & J	....		....	....	....
Newp. & Cin. Bge Co. gtd g. 4's.	1945	1,400,000	J & J	....		....	....	....
Pitts., C. C. & St. L. con. g 4½'s..								
" Series A	1940	10,000,000	A & O	107½	Oct. 7,'03	....	....	....
" Series B gtd	1942	8,786,000	A & O	109	Nov. 9, '03	109	109	2,000
" Series C gtd	1942	1,379,000	M & N	116½	Feb. 14,'01	....	....	....
" Series D gtd. 4's	1945	4,983,000	M & N	106¼	Nov. 19,'02	....	....	....
" Series E gtd. g. 3½s	1949	10,421,000	F & A	92	Sept. 15,'03	....	....	....
Pitts., Ft. Wayne & C. 1st 7's..	1912	2,219,000	J & J	127⅝	Oct. 21,'02	....	....	....
" 2d 7's	1912	1,918,000	J & J	119¾	Sept. 9,'03	....	....	....
" 3d 7's	1912	2,000,000	A & O	120	Mar. 16,'03	....	....	....
Tol Walhonding Vy.&O. 1st gtd. bds		3,280,000	J & D			....	....	....
4½'s series A	1931	1,500,000	J & J	....		....	....	....
" 4½'s series B	1933	978,000	J & J	....		....	....	....
" 4's series C	1942	1,453,000	M & S	....		....	....	....
Penn. RR. Co. 1st Rl Est. g 4's...	1923	1,675,000	M & N	106½	Oct. 28,'03	....	....	....
con. sterling gold 6 per cent...	1905	22,762,000	J & J	....		....	....	....
con. currency, 6's registered...	1905	4,718,000	Q M 15	....		....	....	.. ....
con. gold 5 per cent	1919	4,998,000	M & S	....		....	....	....
" registered			Q M	....		....	....	....
con. gold 4 per cent	1943	3,875,000	M & N	106	Aug. 28,'03	....	....	....
" ten year conv. 3½'s	1912	20,697,500	M & N	95¼	Nov. 30,'03	96¼	94¼	567,000
Allegh. Valley gen gtd. g. 4's...	1942	5,389,000	M & S	110	Aug. 28,19'	....	...	....
Belvedere Del. con. gtd. 3½'s..	1943	1,000,000	J & J	....		....	....	....
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	112¾	Mar. 7,19'	....	....	....
Del.R. RR.& BgeCo 1stgtdg.4's.	1936	1,300,000	F & A	....		....	....	....
G.R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	110	Nov. 7, '03	110	110	2,000
Sunbury & Lewistown 1st g. 4's.	1936	500,000	J & J	....		....	....	....
U'd N. J. RR. & Can Co. g 4's...	1944	5,646,000	M & S	117	May 1,19'	....	....	....
Peoria & Pekin Union 1st 6's....	1921	1,495,000	Q F	121	Nov. 5, '03	121	121	10,000
" 2d m 4½'s	1921	1,499,000	M & N	95	June 16,'03	....	....	....
Pere Marquette.								
Chic. & West Mich. Ry. 5's	1921	5,753,000	J & D	109	Apr. 28,'02	....	....	....
Flint & Pere Marquette g. 6's..	1920	3,999,000	A & O	116	July 29,'03	....	....	....
" 1st con. gold 5's	1939	2,850,000	M & N	107½	Sept. 15,'03	....	....	....
" Port Huron d 1st g 5's.	1939	3,325,000	A & O	109⅝	Nov. 19,'03	109⅝	109	13,000
Sag'w Tusc. & Hur. 1st gtd.g.4's.	1931	1,000,000	F & A	....		....	....	....
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	*Date.*	NOVEMBER SALES. *High.*	*Low.*	*Total.*
Pittsburg, Junction 1st 6's.......1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A, 1928	2,000,000	A & O	112½	Dec. 13,'93	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's, 1940	3,000,000	A & O	117¼	July 7,'03	....	....	....
" 1st cons. 5's.............1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's, 1927	1,562,000	M & N	120½	Dec. 8,'02	....	....	....
Reading Co. gen. g. 4's...........1997	66,026,000	J & J	96¾	Nov.30,'03	97¼	96½	511,000
" registered..................		J & J	96⅛	July 2,'03	....	....	....
" Jersey Cent. col. g. 4's..1957	23,000,000	......	92¼	Nov.25,'03	92¾	92¼	21,000
" " registered.....	....	......	....		....	....	....
Atlantic City 1st con. gtd. g. 4's.1951	1,063,000	M & N	....		....	....	....
Rio Grande Junc'n 1st gtd. g. 5's, 1939	1,850,000	J & D	110½	Feb. 25,'03	....	....	....
Rio Grande Southern 1st g. 4's..1940	2,233,000	J & J	75	Aug. 3,'03	....	....	....
" guaranteed..............	2,277,000	......	94¼	Nov.15,'02	....	....	....
Rutland RR 1st con. g. 4½ s....1941	2,440,000	J & J	....		....	....	....
Ogdnsb.&L.Ch'n.Ry.1st gtd g4s1948	4,400,000	J & J	....		....	....	....
Rutland Canadian 1st gtd.g.4's.1949	1,350,000	J & J	101¼	Nov.18,'01	....	....	....
St. Jo. & Gr. Isl. 1st g. 2.342.......1947	3,500,000	J & J	87	Nov.23,'03	87	85	5,000
St. L. & Adirondack Ry. 1st g. 5's.1996	800,000	J & J	....		....	....	....
" 2d g. 6's...............1996	400,000	A & O	....		....	....	....
St. Louis & San F. 2d 6's, Class B, 1906	998,000	M & N	103½	Nov.30,'03	104½	103½	8,000
" 2d g. 6's, Class C......1906	829,000	M & N	104½	Oct. 6,'03	....	....	....
" gen. g. 6's............1931	3,681,000	J & J	125	Nov.30,'03	125	124¼	2,000
" gen. g. 5's............1931	5,803,000	J & J	111⅛	Nov.25,'03	111¼	111⅛	8,000
St. L & San F. R. R. con. g. 4's.1996	1,558,000	J & D	92	Nov. 2,'03	92	92	10,000
" S. W. div. g. 5's........1947	829,000	A & O	100	June 5,'02	....	....	....
" refunding g. 4's.......1951	52,717,000	J & J	85	Nov.30,'03	85	81¼	855,000
" " registered...		J & J	....		....	....	....
Kan. Cy Ft.S.&MemRRcong6's1928	13,736,000	M & N	119¼	Nov.13,'03	119¼	119	4,000
Kan.Cy Ft.S &MRyrefggtd g4s.1936	14,099,000	A & O	77¾	Nov.20,'03	80	77½	116,000
" registered........		A & O	....		....	....	....
Kan.Cy&M.R.&B.Co.1stgtdg5s.1929	3,000,000	A & O	....		....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs., 1989	20,000,000	M & N	92	Nov.30,'03	93	91¾	156,000
" 2d g. 4's inc. Bd. ctfs....1989	3,272,500	J & J	71	Nov.19,'03	71⅛	69⅛	26,000
" con. g. 4's.... 1932	12,054,000	J & D	71¼	Nov.30,'03	71½	68⅞	595,000
Gray's Point, Term. 1st gtd. g. 5's.1947	339,000	J & D	....		....	....	....
St. Paul, Minn. & Manito'a 2d 6's..1909	7,337,000	A & O	110¼	Sept.10,'03	....	....	....
" 1st con. 6's...........1933	13,344,000	J & J	132½	Nov.11,'03	132½	132½	2,000
" 1st con. 6's, registered....		J & J	140	May 14,'02	....	....	....
" 1st c. 6's, red'd to g. 4½'s...	19,439,000	J & J	110½	Nov. 4,'03	110½	110½	5,000
" 1st cons. 6's register'd....		J & J	115¼	Apr. 15,'01	....	....	....
" Dakota ext'n g. 6's...1910	5,504,000	M & N	111	Nov.25,'03	111	109½	4,000
" Mont. ext'n 1st g. 4's..1937	10,185,000	J & D	102¼	Nov.18,'03	102¼	101¾	14,000
" registered................		J & D	106	May 6,'01	....	....	....
Eastern R'y Minn, 1std. 1st g. 5's..1908	4,700,000	A & O	104	Aug.15,'03	....	....	....
" registered................		A & O	....		....	....	....
" Minn. N. div. 1st g. 4's..1940	5,000,000	A & O	....		....	....	....
" registered................		A & O	....		....	....	....
Minneapolis Union 1st g. 6's....1922	2,150,000	J & J	128	Apr. 4,19'	....	....	....
Montana Cent. 1st 6's int. gtd..1937	6,000,000	J & J	134	Mar. 16,'03	....	....	....
" 1st 6's, registered.........		J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's........... 1937	4,000,000	J & J	116½	Oct. 27,'03	....	....	....
" registered................		J & J	....		....	....	....
Willmar & Sioux Falls 1st g. 5's, 1938	3,625,000	J & D	125½	Feb. 17,'02	....	....	....
" registered................		J & D	....		....	....	....
Salt Lake City 1st g. s. f. 6's......1913	297,000	J & J	....		....	....	....
San Fe Pres.& Phoe.Ry.1st g.5's, 1942	4,940,000	M & S	111	Aug.15,'01	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's, 1919	3,872,000	J & J	113¾	Dec. 11,'01	....	....	....
Seaboard Air Line Ry g. 4's......1950	12,775,000	A & O	72	Nov.28,'03	73	67½	110,000
" registered................		A & O	....		....	....	....
" col. trust refdg g. 5's..1911	10,000,000	M & N	99¼	Nov.30,'03	99¾	97¾	23,000
Carolina Central 1st con. g. 4's.1949	2,847,000	J & J	90	Oct. 7,'03	....	....	....
Fla Cent & Peninsular 1st g.5's.1918	3,000,000	J & J	100	Sept. 6,'99	....	....	....
" 1st land grant ext g.5's.1930	410,000	J & J	....		....	....	....
" cons. g. 5's. 1943	4,370,000	J & J	106½	Feb. 26,'02	....	....	....
Georgia & Alabama 1st con.5's.1945	2,922,000	J & J	106¼	Aug.21,'03	....	....	....
Ga. Car. & Nthern 1st gtd g. 5's.1929	5,360,000	J & J	107	July 28,'03	....	....	....
Seaboard & Roanoke 1st 5's....1926	2,500,000	J & J	....		....	....	....

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Sodus Bay & Sout'n 1st 5's, gold,	1924	500,000	J & J	102	Jan. 20, '03	....	....	....
Southern Pacific Co.								
• 2-5 year col. trust g. 4½'s.	1905	15,000,000	J & D	99⅝	Nov.30,'03	100	99⅛	114,000
• g. 4's Central Pac. coll.	1949	28,818,500	J & D	89¼	Nov.30,'03	89¼	86½	121,500
• • registered			J & D	95	Apr.10,'02	....	....	....
Austin & Northw'n 1st g. 5's	1941	1,920,000	J & J	105½	Feb. 25,'03	....	....	....
Cent. Pac. 1st refud. gtd. g. 4's	1949	62,754,000	F & A	99	Nov.30,'03	99¾	99	141,500
• registered			F & A	99¼	Mar. 5,'93	....	....	....
• mtge. gtd. g. 3½'s	1929	18,069,500	J & D	86¾	Nov.30,'03	86	85¾	51,000
• • registered			J & D	....	....	....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's	1910	4,756,000	F & A	110¼	Feb. 27,'03	....	....	....
• 2d g 7's	1905	1,000,000	J & D	105	Feb. 11,'03	....	....	....
• Mex. & P. div 1st g 5's	1931	18,418,000	M & N	106½	Oct. 28,'03	....	....	....
Gila Val. G. & N'n 1st gtd g 5's	1924	1,514,000	M & N	108	Oct. 22,'03	....	....	....
Houst. E. & W. Tex. 1st g. 5's	1933	501,000	M & N	104¾	Oct. 30,'03	....	....	....
• 1st gtd. g. 5's	1933	2,199,000	M & N	103	Nov. 6,'02	103	103	3,000
Houst. & T.C. 1st g 5's int. gtd.	1937	5,788,000	J & J	111⅞	Nov.18,'03	112	111⅞	8,000
• con. g 6's int. gtd.	1912	2,826,000	A & O	110½	Oct. 30,'03	....	....	....
• gen. g 4's int. gtd.	1921	4,287,000	A & O	91	Nov.30,'03	91	90	31,000
• W & Nwn. div. 1st. g. 6's.	1930	1,105,000	M & N	127½	Feb. 27,'02	....	....	....
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	122	Sept.15,'02	....	....	....
• 1st 7's	1918	5,000,000	A & O	130	Nov.19,'02	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's	1912	1,465,000	A & O	....	....	....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's.	1907	3,964,000	J & J	102	July 30,'03	....	....	....
• gtd. g. 5's		4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's	1927	19,031,000	J & J	105½	Nov. 7,'01	....	....	....
San Ant. & Aran Pass 1st gtd g 4's.	1943	18,900,000	J & J	76	Nov.28,'03	76¾	75	139,000
South'n Pac. of Ariz. 1st 6's	1909	6,000,000	J & J	107	Oct. 14,'03	....	....	....
• • •	1910	4,000,000	J & J	111½	Apr. 6,'03	....	....	....
• of Cal. 1st g 6's ser. A.	1905	29,192,500	A & O	103¼	July 20,'03	....	....	....
• • • ser. B.	1905		A & O	102	Oct. 22,'03	....	....	....
• • • C. & D.	1906		A & O	106½	May 15,'03	....	....	....
• • • E. & F.	1902		A & O	108	Nov. 2,'03	108	108	2,000
• • •	1912	....	A & O	119	Mar. 17,'03	....	....	....
• 1st con. gtd. g 5's	1937	6,809,000	M & N	107½	Sept. 1,'03	....	....	....
• stamped	1905-1937	21,470,000	......	106	Nov.23,'03	106	105⅝	3,000
So. Pacific Coast 1st gtd. g. 4's.	1937	5,500,000	J & J	....	....	....	....	....
• of N. Mex. c. 1st 6's.	1911	4,180,000	J & J	108¾	June 26,'03	....	....	....
Tex. & New Orleans 1st 7's	1905	862,000	F & A	103½	Oct. 20,'03	....	....	....
• Sabine div. 1st g 6's	1912	2,575,000	M & S	111½	Oct. 30,'0	....	....	....
• con. g 5's	1943	1,620,000	J & J	101	Apr. 25,'03	....	....	....
Southern Railway 1st con. g 5's.	1994	37,191,000	J & J	112½	Nov.30,'03	113	112	173,000
• registered.			J & J	111¼	Aug. 7,'03	....	....	....
Mob. & Ohio collat. trust g. 4's.	1938	7,999,000	M & S	92½	Nov.23,'03	92½	91	28,000
• registered			M & S	....	....	....	....	....
• Memph. div. 1st g. 4-4½-5's.	1996	5,183,000	J & J	112	Nov. 2,'03	112	112	14,000
• registered.			J & J	....	....	....	....	....
• St. Louis div. 1st g. 4's	1951	11,250,000	J & J	95½	Nov.24,'03	95½	93½	23,000
• • registered			J & J	....	....	....	....	....
Alabama Central, 1st 6's	1918	1,000,000	J & J	120	Mar. 25,'01	....	....	....
Atlantic & Danville 1st g. 4's	1948	3,925,000	J & J	91	Nov.20,'03	91	91	6,000
Atlantic & Yadkin, 1st gtd g 4s.	1949	1,500,000	A & O	....	....	....	....	....
Col. & Greenville, 1st 5-6's	1916	2,000,000	J & J	116	Oct. 20,'03	....	....	....
East Tenn., Va. & Ga. div. g. 5's.	1930	3,106,000	J & J	114	Oct. 15,'03	....	....	....
• con. 1st g 5's	1956	12,770,000	M & N	116	Nov.25,'03	117½	115½	81,000
• reorg. lien g 4's	1938	4,500,000	M & S	110½	Nov. 5,'03	110⅝	110½	4,000
• registered			M & S	....	....	....	....	....
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	120½	Nov. 10,'03	120½	120½	1,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	122	Nov.10,'03	122	122	1,000
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	116½	Oct. 17,'03	....	....	....
• deb. 5's stamped	1927	3,368,000	A & O	107	Nov.30,'03	107	107	3,000
Rich. & Mecklenburg 1st g. 4's.	1948	315,000	M & N	92	Sept. 9,'02	....	....	....
South Caro'a & Ga. 1st g. 5's	1919	5,250,000	M & S	102½	Nov.27,'03	102¾	102	20,000
Vir. Midland serial ser. A 6's	1906	600,000	M & S	....	....	....	....	....
• small			M & S	....	....	....	....	....
• ser. B 6's	1911	1,900,000	M & S	112½	Jan. 6,'03	....	....	....
• small			M & S	....	....	....	....	....
• ser. C 6's	1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
• small			M & S	....	....	....	....	....
• ser. D 4-5's	1921	950,000	M & S	112	Feb. 18,'03	....	....	....
• small			M & S	....	....	....	....	....
• ser. E 5's	1926	1,775,000	M & S	115	Jan. 6,'03	....	....	....
• small			M & S	....	....	....	....	....
• ser. F 5's	1931	1,310,000	M & S	108	Nov. 9,'03	108	108	2,000
Virginia Midland gen. 5's	1936	2,392,000	M & N	110½	Nov. 19,'03	110½	109	3,000
• gen. 5's. gtd. stamped.	1926	2,466,000	M & N	113½	May 14,'03	....	....	....

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W. O. & W. 1st cy. gtd. 4's.....1924	1,025,000	F & A	92	Nov. 3,'03	92	93	2,000
W. Nor. C. 1st con. g 6's........1914	2,531,000	J & J	115⅛	Mar. 6,'03	....	....	....
Spokane Falls & North.1st g.6's..1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl.Ry.N.Y.1stgtd.g.4½'s.1943	500,000	J & D	104½	Sept. 2,'02	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s.1939	7,000,000	A & O	107¼	July 21,'03	....	....	....
" 1st con. g. 5's.....1894-1944	5,000,000	F & A	113⅞	Nov. 12,'03	113⅞	113⅞	1,000
St. L. Mers. bdg. Ter. gtd g. 5's.1930	3,500,000	A & O	115	June 30,'03	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th 1905	2,815,000	M & S	100	Sept. 30,'03	....	....	....
" 1st gold 5's.............2000	22,120,000	J & D	117⅛	Nov. 30,'03	118	116½	57,000
" 2d gold income, 5's.....2000	963,000	MAR.	81	June 25,'03	....	....	....
" La. Div.B.L. 1st g.5's...1931	3,348,000	J & J	110	Oct. 23,'03	....	....	....
Toledo & Ohio Cent. 1st g 5's....1935	3,000,000	J & J	111⅛	Nov. 13,'03	111⅛	111	9,000
" 1st M. g 5's West. div...1935	2,500,000	A & O	111	Sept. 8,'03	....	....	....
" gen. g. 5's.............1935	2,000,000	J & D	105	Nov. 16,'03	105	105	4,000
" Kanaw & M. 1st g. g. 4's.1990	2,469,000	A & O	90	Nov. 24,'03	90	90	7,000
Toledo Peoria & W. 1st g 4's....1917	4,900,000	J & D	92	Nov. 28,'03	92	92	3,000
Tol., St.L.&Wn. prior lien g 3½'s.1925	9,000,000	J & J	83	Nov. 18,'03	83½	82	46,000
" registered................		J & J	....	....	....	....	....
" fifty years g. 4's........1925	6,500,000	A & O	71¼	Nov. 21,'03	71¼	68¾	88,000
" registered................		A & O	....	....	....	....	....
Toronto, Hamilton & Buff 1st g 4s.1946	3,280,000	J & D	98	Apr. 29,'03	....	....	....
Ulster & Delaware 1st c. g 5's....1925	1,852,000	J & D	108	Oct. 24,'03	....	....	....
Union Pacific R. R. & ld gt g 4s...1947	100,000,000	J & J	102⅝	Nov. 20,'03	102⅝	102¼	483,000
" registered................		J & J	102	Oct. 23,'03	....	....	....
" 1st lien con. g. 4's......1911	87,259,000	M & N	94⅛	Nov. 30,'03	94⅛	93½	1,679,000
" registered................		M & N	105¼	Dec. 6,'02	....	....	....
Oreg. R. R. & Nav.Co.con. g 4's.1946	21,482,000	J & D	99½	Nov. 30,'03	100⅛	99¼	111,000
Oreg. Short Line Ry. 1st g. 6's.1922	13,651,000	F & A	123	Nov. 30,'03	122	122⅝	22,000
" 1st con. g. 5's.1946..........	12,328,000	J & J	114	Nov. 30,'03	114	113⅛	14,500
" 4's&participat'g g.bds.1927	41,000,000	F & A	92¼	Nov. 30,'03	92¼	91¼	462,500
" registered................		F & A	....	....	....	....	....
Utah & Northern 1st 7's........1908	4,993,000	J & J	115	Nov. 24,'01	....	....	....
" g. 5's....................1926	1,802,000	J & J	114½	Apr. 19,'02	....	....	....
Virginia & S'western 1st gtd. 5's..2003	2,000,000	J & J	101	Nov. 23,'03	101⅛	101	8,000
Wabash R.R. Co., 1st gold 5's....1939	33,001,000	M & N	113¼	Nov. 28,'03	114	112½	291,000
" 2d mortgage gold 5's...1939	14,000,000	F & A	105½	Nov. 25,'03	106⅛	105⅛	30,000
" deben. mtg series A...1939	3,500,000	J & J	101½	Apr. 28,'03	....	....	....
" series B................1939	26,500,000	J & J	57½	Nov. 30,'03	57¾	53¾	2,312,000
" first lien eqpt. fd.g. 5's.1921	2,755,000	M & S	101⅛	Oct. 10,'03	....	....	....
" 1st g.5's Det.& Chi.ex..1940	3,349,000	J & J	108	Nov. 30,'03	108⅛	108	3,000
" Des Moines div.1st g.4s.1939	1,600,000	J & J	97	May 12,'02	....	....	....
" Omaha div. 1st g. 3½s..1941	3,000,000	A & O	80	Nov. 13,'03	80	80	1,000
" Tol.&Chic.div.1st g.4's.1941	3,000,000	M & S	98	Mar. 17,'02	....	....	....
St. L., K.C.& N.St.Chas.B.1st 6's 1908	473,000	A & O	109½	Mar. 18,'03	....	....	....
Western N.Y. & Penn. 1st g. 5's..1937	9,990,000	J & J	115½	Oct. 15,'03	....	....	....
" gen g. 3-4's.............1943	9,789,000	A & O	95⅞	Oct. 27,'03	....	....	....
" inc. 5's..................1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va.Cent'l & Pitts.1st g. 6's.1911	3,250,000	J & J	108	July 31,'03	....	....	....
Wheeling & Lake Erie 1st g. 5's.1926	2,000,000	A & O	112⅛	July 30,'03	....	....	....
" Wheeling div. 1st g. 5's.1928	894,000	J & J	110¼	Nov. 10,'03	110¼	110¼	2,000
" exten. and imp. g. 5's...1930	343,000	F & A	110	Mar. 6,'03	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's..1949	11,130,000	M & S	86¼	Nov. 25,'03	87⅛	85	36,000
Wisconsin Cen. R'y 1st gen. g. 4s.1949	23,743,000	J & J	89½	Nov. 27,'03	90	89	83,000
STREET RAILWAY BONDS.							
Brooklyn Rapid Transit g. 5's...1945	6,625,000	A & O	100	Nov. 30,'03	100	99¼	35,000
" City R. R. 1st c. 5's 1916.1941	4,373,000	J & J	108	Oct. 22,'03	....	....	....
" Qu. Co. & Sur. con. gtd. g. 5's................1941	2,255,000	M & N	100¼	Sept. 26,'03	....	....	....
" Union Elev. 1st. g. 4-5s.1950	16,000,000	F & A	98¼	Nov. 30,'03	99¼	97	147,000
" stamped guaranteed......		......	10[illegible]¾	July 15,'03	....	....	....
Kings Co. Elev. R. R. 1st g. 4's.1949	7,000,000	F & A	82½	Nov. 18,'03	83	81	40,000
" stamped guaranteed		......	....	....	....	....	....
Nassau Electric R. R. gtd. g. 4's.1951	10,474,000	J & J	85½	Jan. 5,'03	....	....	....
City & Sub. R'y, Balt. 1st g. 5's...1922	2,430,000	J & D	105¾	Apr. 17,'95	....	....	....
Conn.Ry.& Light g 1st&rf g.g4½'s.1951	8,355,000	J & J	90	Oct. 31,'02	....	....	....
Denver Con. T'way Co. 1st g. 5's.1933	730,000	A & O	97½	June 13,19'	...	....	....
Denver T'way Co. con. g. 6's....1910	1,219,000	J & J	....	....	....	....	....
Metropol'n Ry Co. 1st g. g. 6's.1911	913,000	J & J	....	....	....	....	....
Detroit Cit'ens St. Ry. 1st con.g.5's.1905	5,485,000	J & J	103	Nov. 23,'01	....	....	....
Grand Rapids Ry 1st g. 5's........1916	2,500,000	J & D	....	....	....	....	....
Louisville Railw'y Co. 1st c. g. 5's. 1930	4,600,000	J & J	109	Mar. 19,'98	....	....	....
Market St. Cable Railway 1st 6's, 1913	3,000,000	J & J	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	NOVEMBER SALES. High.	NOVEMBER SALES. Low.	NOVEMBER SALES. Total.
Metro. St. Ry N.Y.g.col. tr.g.5's	1997	12,500,000	F & A	113⅛	Nov. 25,'03	113¾	111¼	110,000
" refunding 4's	2002	12,780,000	A & O	89	Aug. 11,'03	....	....	....
B'way & 7th ave. 1st con. g. 5's,	1943	7,650,000	J & D	113¾	Nov. 17,'03	113¾	113¾	13,000
" registered			J & D	119½	Dec. 3,19'	....	....	....
Columb. & 9th ave. 1st gtd g 5's,	1993	3,000,000	M & S	112	Oct. 7,'03	....	....	....
" registered			M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's,	1993	5,000,000	M & S	116	July 27,'03	....	....	....
" registered			M & S	....	....	....	....	....
Third Ave. R.R. 1st c.gtd.g.4's	2000	35,000,000	J & J	95	Nov. 30,'03	95¾	93	69,000
" registered			J & J	....	....	....	....	....
Third Ave. R'y N.Y. 1st g 5's	1937	5,000,000	J & J	118	Nov. 20,'03	118	118	6,000
Met. West Side Elev. Chic. 1st g. 4's	1938	9,808,000	F & A	95	Nov. 25,'03	95	95	1,000
" registered			F & A	....	....	....	....	....
Mil. Elec. R. & Light con. 30 yr. g. 5's	1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's	1919	4,050,000	J & J	110	June 26,'01	....	....	....
St. Jos. Ry. Lig't, Heat & P. 1st g. 5's	1937	3,500,000	M & N	....	....	....	....	....
St. Paul City Ry. Cable con. g. 5's	1937	2,480,000	J & J 15	109¼	Apr. 14,'03	....	....	....
" gtd. gold 5's	1937	1,138,000	J & J	112	Nov. 28,'99	....	....	....
Union Elevated (Chic.) 1st g. 5's	1945	4,387,000	A & O	109½	Dec. 14,'99	....	....	....
United Railways of St. L. 1st g. 4's	1934	28,292,000	J & J	84⅝	June 25,'03	....	....	....
United R. R. of San Fr. s. fd. 4's	1927	20,000,000	A & O	76	Nov. 28,'03	77	76	382,000
West Chic. S . 40 yr. 1st cur. 5's	1928	3,969,000	M & N	....	....	....	....	....
" 40 years con. g. 5's	1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....

MISCELLANEOUS BONDS.

NAME.	Principal Due.	Amount.	Int'st Paid.	Price.	Date.	High.	Low.	Total.
Adams Express Co. col. tr. g. 4's	1948	12,000,000	M & S	102¾	Nov. 30,'03	102¾	101½	36,500
Am. Steamship Co. of W. Va. g. 5's	1920	5,452,000	M & N	100¾	June 4,'02	....	....	....
Bklyn. Ferry Co. of N.Y. 1st c. g. 5's	1948	6,500,000	F & A	73	Mar. 26,'03	....	....	....
Chic. Junc. & St'k Y'ds col. g. 5's	1915	10,000,000	J & J	111	Sept. 30,'03	....	....	....
Der. Mac. & Ma. ld. gt. 3½'s sem. an.	1911	2,771,000	A & O	82½	Nov. 28,'03	83	74	211,000
Hackensack Water Co. 1st 4's	1952	3,000,000	J & J	....	....	....	....	....
Hoboken Land & Imp. g. 5's	1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g. 5's	1916	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's	1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's	1890-1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's	1951	11,580,000	F & A	90¾	Nov. 28,'03	91	90½	35,500
" registered			F & A	....	....	....	....	....
St. Joseph Stock Yards 1st g. 4½'s	1930	1,250,000	J & J	....	....	....	....	....
St. Louis Terml. Cupples Station & Property Co. 1st g 4½'s 5-20	1917	3,000,000	J & D	....	....	....	....	....
So. Y. Water Co. N. Y. con. g 6's	1923	478,000	J & J	108	Nov. 28,'03	108	108	10,000
Spring Valley W. Wks. 1st 6's	1906	4,975,000	M & S	113½	Dec. 18,19'	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.								
Series D 4½'s	1901-1916	1,000,000	J & J	....	....	....	....	....
" E 4's	1907-1917	1,000,000	J & D	....	....	....	....	....
" F 4's	1908-1918	1,000,000	M & S	100	Mar. 15,19'	....	....	....
" G 4's	1903-1918	1,000,000	F & A	....	....	....	....	....
" H 4's	1903-1918	1,000,000	M & N	....	....	....	....	....
" I 4's	1904 1919	1,000,000	F & A	....	....	....	....	....
" J 4's	1904-1919	1,000,000	M & N	....	....	....	....	....
" K 4's	1905-1920	1,000,000	J & J	....	....	....	....	....
Small bonds		....	......	....	....	....	....	....
INDUSTRIAL AND MFG. BONDS.								
Am. Cotton Oil deb. ext. 4½'s	1915	2,919,000	......	91	Nov. 19,'03	91	90	4,000
Am. Hide & Lea. Co. 1st s. f. 6's	1919	8,375,000	M & S	70	Nov. 19,'03	70	67	33,000
Am. Spirit Mfg. Co. 1st g. 6's	1915	1,750,000	M & S	85	Nov. 24,'03	86⅛	85	2,000
Am. Thread Co., 1st coll. trust 4's	1919	6,000,000	J & J	78	June 4,'03	....	....	....
Barney & Smith Car Co. 1st g. 6's	1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's	1951	157,378,200	F & A	55¼	Nov. 30,'03	56	54	1,224,000
" registered			F & A	51¼	Aug. 5,'03	....	....	....
Dis. Secur. Cor. con. 1st g. 5's	1927	13,379,000	A & O	60⅝	Nov. 27,'03	62	60	92,000
Dis. Co. of Am. coll. trust g 5's	1911	3,080,000	J & J	99	Sept. 16,'03	....	....	....
Illinois Steel Co. debenture 5's	1910	1,400,000	J & J	99	Jan. 17,'99	....	....	....
" non. conv. deb. 5's	1910	7,000,000	A & O	100	May 2,'02	....	....	....
Internat'l Paper Co. 1st con. g 6's	1918	9,470,000	F & A	105	Nov. 4,'03	105	105	5,000
Int. Steam Pump 10 year deb. 6's	1913	2,500,000	J & J	....	....	....	....	....
Knick'r'ker Ice Co. (Chic) 1st g 5's	1928	2,000,000	A & O	93	Feb. 24,'03	....	....	....
Lack. Steel Co., 1st con. g. 5's	1923	15,000,000	A & O	93	Nov. 17,'03	93½	92	45,000
Nat. Starch Mfg. Co., 1st g 6's	1920	2,924,000	J & J	89	Nov. 25,'03	89	89	2,000
Nat. Starch. Co's fd. deb. g. 5's	1925	4,137,000	J & J	69	Sept. 21,'03	....	....	....
Standard Rope & Twine 1st g. 6's	1946	2,740,000	F & A	35	Nov. 30,'03	35	33	26,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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MISCELLANEOUS BONDS—*Continued.*

NAME. Principal Due.	Amount.	Int't paid.	LAST SALE. Price.	Date.	NOVEMBER SALES. High.	Low.	Total.
Standard Rope&Twine inc.g.5s,.1946	7,500,000	......	1⅝	Nov.24,'03	1⅝	1	27,000
United Fruit Co., con. 5's........1911	3,794,000	M & S	....	....	....	....	....
U. S. Env. Co. 1st sk. fd. g. 6's...1918	3,797,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb..1915	5,280,000	M & N	106	Nov.16,'03	106	106	6,000
U. S. Reduction & Refin. Co. 6's..1931	....	......	79	Aug.12,'03	....	....	....
U.S. Shipbldg.1st & 1d g.5's Ser.A.1932	14,500,000	J & J	25⅛	July 21,'03	....	....	....
" collat. and mge. 5's..1932	10,000,000	F & A	91	Jan. 15,'03	....	....	....
U.S.SteelCorp.10-60yr.g.sk.fd5's 1963	} 149,290,500	M & N	69	Nov.30,'03	72	65	18657000
" " " reg. 1963		M & N	69	Nov.25,'03	70⅛	65	63,000
BONDS OF COAL AND IRON COS.							
Colo. C'l & I'n Devel.Co. gtd g.5's.1909	700,000	J & J	55	Nov. 2,19'	....	....	....
" Coupons off................	....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's..........1919	640,000	M & N	112	Apr. 30,'03	....	....	....
Col. Fuel & Iron Co. gen. sf g 5's..1943	5,355,000	F & A	94¾	Nov.30,'03	98⅛	94¾	47,000
" conv. deb. g. 5's.........1911	} 14,068,000	F & A	62½	Nov.30,'03	71	60⅛	1,548,000
" registered...................		F & A	....	....	....	....	....
Continental Coal 1st s. f. gtd. 5's..1952	2,750,000	F & A	....	....	....	....	....
Grand Riv. Coal & Coke 1st g. 6's.1919	949,000	A & O	115	June 23,'02	....	....	....
Jeff. & Clearf. Coal & Ir.1st g. 5's1926	1,588,000	J & D	105⅛	Oct. 10,'98	....	....	....
" 2d g. 5's..................1926	1,000,000	J & D	102½	Oct. 27,'03	....	....	....
Kan. & Hoc. Coal&Coke 1st g.5's 1951	2,750,000	J & J	105	Oct. 24,19'	....	....	....
Pleasant Valley Coal 1st g. s.f.5s.1928	1,162,000	J & J	106¼	Feb. 27,'02	....	....	....
Roch &Pitts.Cl&Ir.Co.pur my5's.1946	1,092,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's..1912	379,000	J & D	....	....	....	....	....
Tenn. Coal, Iron & R.R. gen. 5's..1951	3,000,000	J & J	99	Nov.24,'03	99	99	3,000
{ " Tenn. div. 1st g. 6's......1917	1,193,000	A & O	102¾	Sept.28,'03	....	....	....
{ " Birmingh. div. 1stcon.6's1917	3,650,000	J & J	100⅛	Nov.20,'03	100⅛	100⅛	2,000
{ Cahaba Coal M. Co.,1stgtd.g.6's1922	892,000	J & D	105	Feb. 10,19'	....	....	....
{ De Bardeleben C&ICo.gtd.g.6's1910	2,729,500	F & A	95	Nov.30,'03	96½	95	7,000
Va. Iron, Coal & Coke, 1st g. 5's...1949	6,945,000	M & S	70	Nov.21,'03	70	65	25,000
Wheel L. E. & P. Cl Co. 1st g 5's.1919	836,000	J & J	32	Jan. 15,19'	....	....	....
GAS & ELECTRIC LIGHT CO. BONDS.							
Atlanta Gas Light Co. 1st g. 5's..1947	1,150,000	J & D	....	....	....	....	....
B'klyn Union GasCo.1stcong. 5's.1945	14,493,000	M & N	112½	Nov.27,'03	113¾	112½	64,000
Buffalo Gas Co. 1st g. 5's.........1947	5,900,000	A & O	74	June 24,'03	....	....	....
Columbus Gas Co., 1st g. 5's......1932	1,215,000	J & J	104⅛	Jan. 28,'98	....	....	....
Detroit City Gas Co. g. 5's.......1923	5,608,000	J & J	96⅛	Nov.30,'03	97	95⅛	18,000
Detroit Gas Co. 1st con.g.5's.....1918	381,000	F & A	105	June 2,'03	....	....	....
Equitable Gas Light Co. of N. Y. 1st con. g. 5's............1932	3,500,000	M & S	112	Nov.11,'03	112	112	1,000
Gas. & Elec.of Bergen Co, c.g.5s.1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Gen. Elec. Co. del. g. 3½'s 1942	2,049,400	F & A	85	Nov.28,'03	85	85	2,000
Grand Rapids G. L. Co. 1stg.5's.1915	1,225,000	F & A	107¾	Dec. 17,19'	....	....	....
Hudson Co. Gas Co. 1st g. 5's....1949	9,180,000	M & N	102	Oct. 2,'03	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.1922	3,750,000	A & O	....	....	....	....	....
Kings Co. Elec. L.&Power g. 5's..1937	2,500,000	A & O	....	....	....	....	....
} " purchase money 6's....1997	5,010,000	J & J	115⅛	Nov.23,'03	115⅛	115	5,000
} Edison El.Ill.Bkln 1st con.g.4's.1939	4,275,000	J & J	93¼	May 29,'03	....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's.1919	} 10,000,000	Q F	104⅛	Nov.25,'03	105	103⅛	28,000
" small bonds.................			97⅛	Nov. 1,'95	....	....	....
Milwaukee Gas Light Co. 1st 4's..1927	6,000,000	M & N	95	July 31,'02	....	....	....
Newark Cons. Gas, con. g. 5's....1948	5,274,000	J & D	....	....	....	....	....
N.Y.GasEL.H&PColstcol tr g5's.1948	} 15,000,000	J & D	109⅛	Nov.28,'03	109⅛	108	24,000
{ " registered....................		J & D	....	....	....	....	....
{ " purchase mny col tr g 4's.1949	20,927,000	F & A	90	Nov.30,'03	91	89¾	76,000
{ Edison El. Illu. 1st conv. g. 5's.1910	4,312,000	M & S	103⅝	Nov.17,'03	103⅝	103⅝	10,000
{ " 1st con. g. 5's............1995	2,156,000	J & J	114	Aug.12,'03	....	....	....
N.Y.&Qus.Elec.Lg.&P.1st.c.g.5's1930	2,272,000	F & A	100	Nov.18,'03	100	100	1,000
N.Y.& RichmondGasCo.1stg.5's.1921	1,000,000	M & N	102¾	Apr. 30,'03	....	....	....
Paterson&Pas. G.&E. con.g.5's..1949	3,317,000	M & S	....	....	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's.1904	2,100,000	M & N	100	Aug.25,'03	....	....	....
{ " 2d gtd. g. 6's.............1904	2,500,000	J & D	103	Oct. 26,'03	....	....	....
{ " 1st con. g 6's.............1943	4,900,000	A & O	116	Oct. 22,'03	....	....	....
{ " refunding g. 5's........1947	} 2,500,000	M & S	104	Nov.21,'03	104	103	10,000
{ " refuding registered....		M & S	....	....	....	....	....
{ Chic.Gas Lt&Coke 1st gtd g.5's.1937	10,000,000	J & J	106	Nov.18,'03	106¼	106	21,000
{ Con. Gas Co.Chic. 1st gtd.g.5's.1936	4,346,000	J & D	102½	Oct. 13,'03	....	....	....
{ Eq.Gas&Fuel,Chic.1stgtd.g.6's.1905	2,000,000	J & J	102⅛	Nov.28,'03	102½	102⅛	3,000
{ MutualFuelGasCo.1stgtd.g.5's.1947	5,000,000	M & N	100	Nov.27,'03	100	100	3,000
{ " registered..	....	......	....	....	....	....	....
Syracuse Lighting Co. 1st g. 5's..1951	2,000,000	J & D	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's.1949	1,500,000	M & S	109	Feb. 8,'01	....	....	....
Utica Elec. L. & P. 1st s. f'd g.5's.1950	500,000	J & J	....	....	....	....	....
Westchester Lighting Co. g. 5's.1950	5,380,000	J & D	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	NOVEMBER SALES. *High*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
TELEGRAPH AND TELEPHONE CO. BONDS.							
Am.Teleph.&Teleg.coll.trust.4's.1929	28,000,000	J & J	96½	Apr. 29,'03	....	....	....
Commercial Cable Co. 1st g. 4's.2397.	10,769,300	Q & J	100½	Apr. 8,'02	....	....	....
" registered..................		Q & J	100½	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.							
Erie Teleg. & Tel. col. tr. g s fd 5's.1926	3,905,000	J & J	109	Oct. 7,'99	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's.1918	2,000,000	M & N	110¾	Nov.19,'03	110¾	110¾	2,000
" registered..................		M & N					
N. Y. & N. J. Tel. gen. g 5's.......1920	1,261,000	M & N	105¾	July 2,'03	....	....	....
Western Union col. tr. cur. 5's...1938	8,504,000	J & J	107	Nov.24,'03	107	107	2,000
" fundg & real estate g.4½'s.1950	16,000,000	M & N	101⅝	Nov.30,'03	101¾	100¾	107,000
Mutual Union Tel. s. fd. 6's....1911	1,957,000	M & N	107½	June23,'03	....	....	....
Northwestern Telegraph 7's...1904	1,250,000	J & J	104	May 9,'02	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME *Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1903. *High.*	YEAR 1903. *Low.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
United States con. 2's registered...1930	535,020,750	Q J	109½	106	106¾	106⅝	60,000
" con. 2's coupon............1930		Q J	108¾	106¼	106⅜	106⅜	21,000
" con. 2's reg. small bonds..1930		Q J	....	....	....	....	......
" con. 2's coupon small bds.1930		Q J	....	....	....	....	......
" 3's registered...........1908 18	78,108,960	Q F	109¼	106¾	107⅞	107⅞	1,000
" 3's coupon..............1908–18		Q F	110	106½	108½	107½	16,500
" 3's small bonds reg.....1908–18		Q F	....	....	....	....	......
" 3's small bonds coupon.1908–18		Q F	109⅜	106½	107½	107½	100
" 4's registered..............1907	163,507,000	J A J&O	112¼	109	112¼	112¼	2,000
" 4's coupon..................1907		J A J&O	112	109¼	....	....	......
" 4's registered..............1925	118,489,900	Q F	136½	133¾	134¼	133¾	17,000
" 4's coupon..................1925		Q F	137½	134¼	134¼	134¼	1,000
" 5's registered..............1904	10,120,350	Q F	101½	101½	....	....	......
" 5's coupon..................1904		Q F	103⅜	101¼	101¼	101¼	1,000
District of Columbia 3-65's...........1924	14,224,100	F & A	121	121	....	....	......
" small bonds....................		F & A	....	....	....	....	......
" registered.......................		F & A	....	....	....	....	......
STATE SECURITIES.							
Alabama Class A 4 and 5..............1906	6,859,000	J & J	....	....	....	....	......
" " small............	....	....	....	....	....	....	......
" Class B 5's...................1906	575,000	J & J	....	....	....	....	......
" Class C 4's...................1906	962,000	J & J	....	....	....	....	......
" currency funding 4's.......1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.							
Louisiana new con. 4's................1914	10,752,800	J & J	106	106	....	....	......
" " small bonds..........			....	....	....	....	......
Missouri fdg. bonds due.........1894–1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's................1910	3,397,350	J & J	....	....	....	....	......
" small.......................		J & J	....	....	....	....	......
" 6's.......................1919	2,720,000	A & O	....	....	....	....	......
South Carolina 4½'s 20–40.............1933	4,392,500	J & J	....	....	....	....	......
Tennessee new settlement 3's.........1913	6,681,000	J & J	97	94	96	95½	11,000
" registered......................	6,079,000	J & J	....	....	....	....	......
" small bond......................	362,200	J & J	93½	93½	....	....	......
Virginia fund debt 2–3's of...........1991	18,047,057	J & J	95	95	95	95	1,000
" registered.....................		J & J	....	....	....	....	......
" 6's deferred cts. Issue of 1871	3,974,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....	8,716,565	....	12	6¼	....	....	......
FOREIGN GOVERNMENT SECURITIES.							
Frankfort-on the-Main, Germany, bond loan 3½'s series 1......1901	14,776,000 (Marks.)	M & S	....	....	....	....	......
Four marks are equal to one dollar.							
Imperial Russian Gov. State 4% Rente....	2,310,060,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.							
Quebec 5's.............................1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's..................	....	Q J	98⅝	90½	98¼	98¼	2,500
Regular delivery in denominations of £100 and £200...........................	£22,245,920	......	....	....	....	....	......
Small bonds denominations of £20	....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.	....	......	....	....	...	....	......

BANKERS' OBITUARY RECORD.

Archer.—Benjamin F. Archer, President of the Camden (N. J.) National Bank, died October 30, aged seventy years.

Bross.—Judge Fredolin Bross, President of the Alexander County National Bank, Cairo, Ill., died November 23. He was born in Germany in 1835 and came to America in 1852, locating at Cairo in 1856.

Burley.—Augustus Burley, a director of the Merchants' Loan and Trust Co., Chicago, and formerly city comptroller of that city, and for many years otherwise prominently associated with business and political affairs in Chicago, died November 27. He had been a director of the Merchants' Loan and Trust Co. continuously for forty-nine years.

Burnett.—W. J. Burnett, Cashier of the Farmers and Merchants' Bank, Sapulpa, Ind. Ter., died October 31.

Coe.—Levi E. Coe, President of the Meriden (Ct.) National Bank and the Meriden Savings Bank, died November 2, aged seventy-five years. He had held many local judicial and other offices, and was three times elected mayor of Meriden.

Darby.—Francis M. Darby, Treasurer of the Safe Deposit and Trust Co., of Baltimore, and formerly United States Assistant Treasurer at Baltimore, died November 10.

Drake.—Gen. Francis M. Drake, ex-Governor of Iowa, founder of Drake University, and President of the Centreville National Bank and the First National Bank, of Albia, died November 20. Gen. Drake was born at Rushville, Ill., December 30, 1830, removing to Iowa with his father's family in 1837. In early life he engaged in the mercantile business and later became interested in railroad and other large enterprises, in which he was highly successful, leaving a large fortune. He contributed liberally to educational and benevolent objects. In 1896 he was elected Governor of Iowa, serving in that capacity for two years.

Dox.—Gen. Hamilton B. Dox, for thirty-eight years Cashier of the Hibernian Banking Association, Chicago, died November 13, aged eighty-four years. At the beginning of the Civil War he enlisted with the Twelfth Illinois Regiment of Cavalry and as the close of the war he was brevetted brigadier-general.

Frost.—T. C. Frost, President of the Frost National Bank, San Antonio, Tex., and identified with the business interests of San Antonio for thirty-five years, died November 21. He was born at Belfont, Ala., about seventy years ago. At the time of his death he was considered one of San Antonio's wealthiest citizens, having risen from a humble position.

Gascoine.—James Gascoine, President of the People's Bank, Brooklyn, N. Y., and principal organizer of the institution, died November 27, aged sixty years.

Hammond.—Clarence W. Hammond, Vice-President and Cashier of the People's Bank, Buffalo, N. Y., died October 30. He was born at East Jaffrey, N. H., June 3, 1848. After being educated he engaged in the lumber business at Saginaw, Mich., and about twenty-five years ago went to Buffalo. He assisted in the organization of the People's Bank,

Huhn.—George Huhn, since 1889 President of the German-American Bank, Minneapolis, Minn., died October 31. He was born in Germany, November 22, 1835, and came to this country in the early fifties, going to St. Paul in 1855 and to Minneapolis in 1867. He was one of the most active organizers of the German-American Bank, of which he became President.

Klein.—Henry Klein, President of the Union Bank and Trust Co., Helena, Mont., and one of the wealthy men of the State, died November 13, aged sixty-one years.

Knowlton.—Dexter A. Knowlton, of the banking firm of Knowlton Bros., Freeport, Ill., died November 19, aged sixty years.

Koehnle.—Fred C. W. Koehnle, President of the German-American National Bank, Lincoln, Ill., died November 17. He was born in Germany, January 4, 1837, coming to America while a young man. In 1856 he located at Lincoln, Ill., where he was twice elected circuit clerk. Besides being interested in banking and other enterprises, he was the manager for William Scully, a large land owner in Illinois and other Western States.

McGrew.—Thomas F. McGrew, President of the Mad River National Bank, Springfield, Ohio, died November 3, aged eighty-six years. He had resided at Springfield since 1856, and had been engaged in banking there continuously since that time.

Mosgrove.—Dr. James M. Mosgrove, President of the Citizens' National Bank, Urbana, Ohio, died November 9, aged seventy-eight years.

Perrie.—Joseph F. Perrie, Cashier of Mitchell, Finch & Co.'s bank, Maysville, Ky., and former sheriff of the county, died November 5.

Plummer.—Col. A. L. Plummer, President of the Hillsboro (No. Dak.) National Bank, died November 16. He was born in New York city in 1837, and moved west early in life. In 1881 he established the bank of which he became President, holding that office until his death.

Rogers.—Theodore Rogers, for many years President of the Bank of the Metropolis, New York city, died November 8. He resigned the presidency of the bank a short time ago, owing to a stroke of paralysis, but the directors created the position of chairman of the board, which he has since occupied.

Tooker.—Frank B. Tooker, President of the Harlem Savings Bank, New York, and one of the organizers of the bank, died November 26. He was born at Kingston, N. Y., in 1830.

Failures, Suspensions and Liquidations.

Colorado.—The Bimetallic Bank, of Cripple Creek, organized in 1891, and having $100,000 capital and about $220,000 deposits, closed November 5. A heavy decline in the value of mining shares and real estate is given as the cause of failure.

—The Pueblo Title and Trust Co., of Pueblo, capital $250,000, suspended November 5.

—On November 4 the First National Bank, of Victor, suspended. Its capital was $50,000, and the deposits were about $300,000.

Illinois.—The First National Bank, of Dundee, closed November 22, and discrepancies are reported in the accounts. Capital of the bank was $50,000 and deposits $150,000.

Indiana.—The Indiana National Bank, of Elkhart, was placed in the hands of a Receiver November 19. Its deposits were over $600,000 a short time prior to the suspension.

—On November 6 the Citizens' Bank, at Star City, capital $6,500, suspended.

Iowa.—A Receiver was appointed for the State Bank, of Germania, November 26. The bank had $25,000 capital and $40,000 deposits. Too much real estate and overdrafts are given as the cause of the failure.

—The Bank of Ireton closed November 17.

—On November 4 W. R. Ady was appointed Receiver of the State Bank, of Sheldon.

Maryland.—The banking-house of Jones & Co., of Mount Airy, suspended October 30, the firm and Mr. Jones individually making assignments. Investments in real estate, and a decline in the value of stocks and securities are said to have caused the failure.

Massachusetts.—Winslow & Co., doing a banking business at Worcester, went into the hands of a Receiver November 12. Col. Samuel E. Winslow, of the firm, had extensive manufacturing interests, and his liabilities on account of the bank and manufacturing are placed at nearly $500,000.

Minnesota.—The Scott County Bank, of Jordan, suspended October 31.

South Carolina.—Owing to the death of the President and Cashier of the Farmers and Merchants' Bank, of Camden, the bank assigned November 18 to E. S. Vaux and A. D. Kennedy. It is stated that the assets will eventually realize an amount sufficient to meet all claims.

South Dakota.—The Eagan State Bank was closed November 17 by the State Bank Examiner. Deposits amounted to $40,000.

Texas.—J. A. Buckingham, doing a private banking business at Dawson, closed October 31. It is stated that deposits were about $12,000 or $15,000.

—The Farmers' National Bank, of Henrietta, was closed by the Comptroller of the Currency November 19. Its deposits on September 9 were $103,191; due to banks and bankers, $14,050.

—The Bank of Kenedy closed October 31.

West Virginia.—The Bank of Pine Grove, a State institution capitalized at $25,000, and having $50,000 deposits, closed November 25.

Wyoming.—W. A. Denecke & Co., private bankers doing business at Casper, closed November 28, and some of the owners of the bank were arrested charged with receiving deposits when the firm was insolvent. It is said that stockholders have subscribed enough to make up the shortage in the assets.